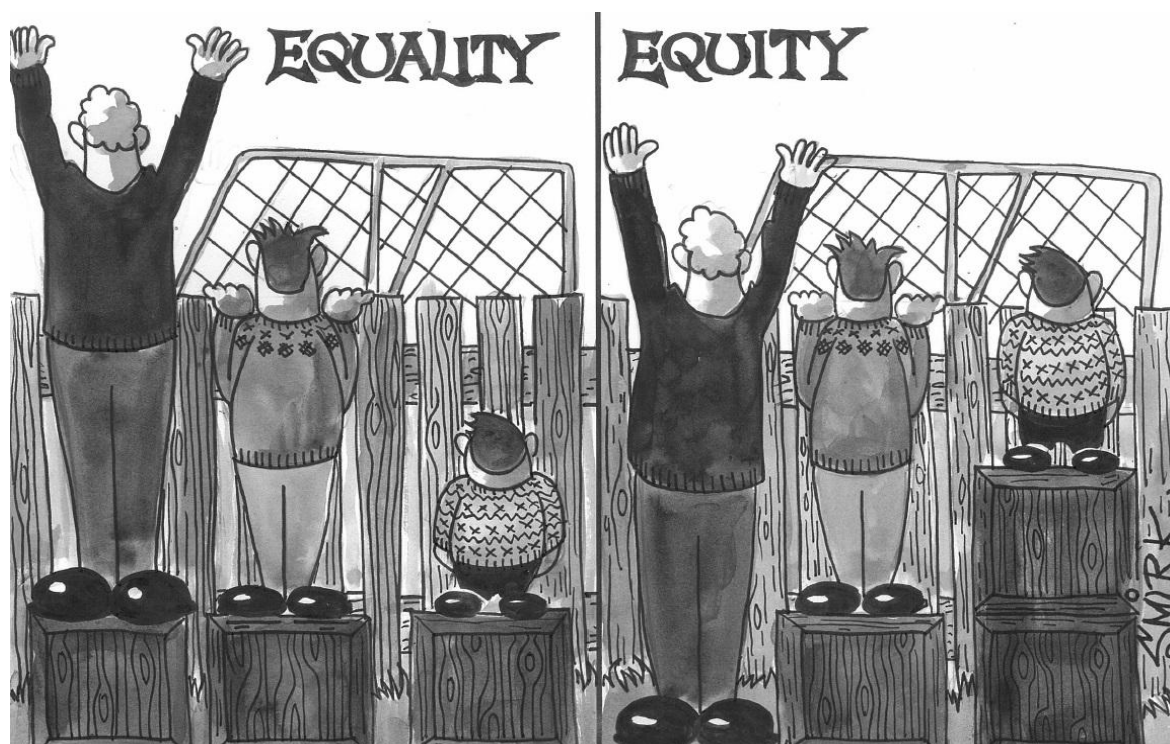


# *On Da Level*

## *Achieving a Fairer Shetland*

**Report and Recommendations from  
Shetland's Commission on Tackling Inequalities**

**March 2016**





## Foreword

**Shetland doesn't exhibit the extreme disparities in wealth, health and other indicators that characterise some communities. Nevertheless, the evidence gathered by the Commission confirms that, in 2016, inequality is an inescapable feature of Shetland life. Some of our fellow citizens are struggling. Their circumstances differ, but lack of sufficient money to live a decent life is a common factor. The causes of their difficulties are not simple but it's clear that a variety of influences, including changes in welfare policies, are making their position steadily more precarious.**

Inequality can take many forms. It is frequently thought of as economic and characterised in terms of wealth and poverty. However, there are also manifestations of inequality in education, environmental quality, ethnicity, gender, geography, health, social status and in power and influence.

The sense that British society is more sharply divided between those who are comfortably off and those who are struggling has unquestionably become stronger over recent decades, across a large part of the political spectrum; and we must never forget that the society we create results from political choices among real alternatives. Former Conservative Prime Minister, Sir John Major, speaking in November 2015, described the impact of inequality as "shocking" and argued for urgent action to close the gap between rich and poor. Scotland's First Minister, Nicola Sturgeon, has committed her government to tackling the "blight of inequality", asserting that a fairer society will also be a more productive and prosperous one.

The title of Sir John Major's talk was 'A nation at ease with itself?'. We may pose the same question: can we in Shetland be at ease with ourselves while some of our neighbours are unable to overcome disadvantage and make for themselves the kind of life we'd want for everyone? If we're the kind of society that we like to think we are, the answer must surely be no.

The work of the Shetland Commission on Tackling Inequalities focused firstly on gathering evidence. We invited a wide range of local and national participants to our sessions. One of them was Naomi Eisenstadt, the First Minister's Independent Adviser on Poverty and Inequality.

Her report, *Shifting the Curve*<sup>1</sup>, was published in January, and we in Shetland will no doubt wish to consider its recommendations and act on them where we can.

Having reflected on the evidence, we are now able to share with the Shetland Partnership Board the insights that we have gained. We also began the task of identifying solutions and it was encouraging to learn that there is, in Shetland, a powerful commitment to working together in order to tackle disadvantage. So, a start has been made, but there is a way to go. Some things we can do ourselves, in Shetland; others will require action nationally and so must be pursued by persuasion, based on solid evidence. Our recommendations will, we hope, point the way.

I commend this report to the Shetland Partnership Board. In doing so, I want to thank all those who have contributed, whether by sitting on the Commission, giving evidence to it, helping with facilitation or organising the sessions.

**Alastair Hamilton**

**Independent Chair for  
Shetland's Commission  
On Tackling Inequalities**

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<sup>1</sup> <http://www.gov.scot/Publications/2016/01/1984>



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## Introduction

**In surveys that set out to measure quality of life, Shetland often gains a very high ranking; and, yes, it is a fantastic place to live. Many in Shetland enjoy good incomes and have high expectations. They can make the most of what the islands have to offer. However, the message from the Commission is very clear: not everyone can grasp these opportunities.**

No, we don't have the very visible signs of inequality we can see in urban areas: those lavish villas or gentrified terraces not far from run-down tower blocks. But we do have inequalities; there are individuals and families among us who do not have the financial or personal resources to be able to enjoy a decent life. For them, Shetland can feel hard, lonely and isolating.

The Shetland Partnership Board (SPB)<sup>2</sup> wanted to gain a fuller understanding of these issues in the hope that partners across Shetland could be inspired to do all in their power to reduce inequalities. Accordingly, it established Shetland's Commission on Tackling Inequalities.

**Societies that exhibit large income inequalities also tend to score badly in terms of health and a range of social problems [-] we are sensitive to inequalities and they affect all of us.**

**Source: The Spirit Level (2009)**

The Commission set out to explore what is a complex field and to identify the kinds of interventions that would be required to achieve equity and to support those who are currently unable to share in the everyday lifestyles of the majority because of a lack of resources.

In taking this initiative, Shetland is far from being alone. On 24 November 2015, a motion for a resolution was overwhelmingly passed in the relevant committee of the European Parliament. It recognised the increasing inequalities evident in Europe, emphasising especially their impact on children.

<sup>2</sup> [www.shetland.gov.uk/communityplanning/community\\_planning.asp](http://www.shetland.gov.uk/communityplanning/community_planning.asp)

Elsewhere in Scotland, three similar commissions have been established to examine these issues. Inequalities are thus an issue at international, national and local levels. It has become clear from research, summarised in *The Spirit Level*<sup>3</sup>, that societies that exhibit large income inequalities also tend to score badly in terms of health and a range of social problems. Such societies are, in general, less happy and contented, because we are sensitive to inequalities and they affect all of us.

To understand the many facets of inequality, we need to examine our whole society and discover how resources are distributed and redistributed. This is far from being a simple task, and in a Shetland context it can be difficult to extract some of the data that would be needed to paint a complete picture.

However, to take just one example, welfare benefits are paid at the same flat rate throughout the United Kingdom. These payments don't take account of the very substantial geographical differences in living costs, particularly for essential items. Living costs in Shetland, and especially in more remote parts of the islands, are significantly higher than in many other parts of the country. The result is that, for a single person living in a remote island settlement, Income Support provides just 28% of the income required to have an acceptable standard of living<sup>4</sup>. To look at this another way, the Living Wage – currently £8.25 per hour outside London – would need to be 40% higher (£11.55) in order to compensate for the higher costs in remote rural Scotland<sup>5</sup>.

<sup>3</sup> Wilkinson, R.G. & Pickett, K. (2009) *The Spirit Level: Why More Equal Societies Almost Always Do Better*, London

<sup>4</sup> Minimum Income Standard (2013):

<http://www.hie.co.uk/regional-information/economic-reports-and-research/archive/a-minimum-income-standard-for-remote-rural-scotland.html>

Another complicating factor is that, in contrast to urban Britain, inequality in Shetland is dispersed. People living on an impoverished city estate may well feel a sense of solidarity with, and draw support from, their neighbours. But inequality may be a very different experience for an individual or family in Shetland struggling to keep their heads above water in an otherwise comfortably-off community. It's harder to admit one's circumstances, yet disadvantage and the fear of stigma may be more keenly felt. That is not to deny, of course, that geography does play a part in inequality in our islands, and needs to be considered at a local community, as well as an individual, level.

This report from the Commission is entitled 'On Da Level' because commissioners wanted to find a phrase that conveyed a sense of fairness and a commitment to openness, transparency and

honesty. It also acknowledges the debt of everyone working in this field to the authors of *The Spirit Level*.

Shetland's Community Plan focuses on 'Getting a Grip'<sup>6</sup>. With strong local decision-making and a good economic balance, inequalities are already being addressed at a number of levels, but it's clear that we have only just begun. The Commission has laid the foundations for further work, and we commend this report to the Shetland Partnership Board. We intend that the Board will consider the evidence and the recommendations and go on to develop an Action Plan.

**Ian Kinniburgh**  
Chair, Shetland  
Partnership Board

**Gary Robinson**  
Vice-Chair, Shetland  
Partnership Board



<sup>5</sup> Minimum Income Standard (2013), as above, and <http://www.livingwage.org.uk/>

<sup>6</sup> In 2011, a Scenario Planning processes was used to develop the Community Plan: [www.shetland.org/2030/](http://www.shetland.org/2030/)



## 1. Background and Context

### 1.1 The Commission

The role of community planning is to improve outcomes, reduce inequalities and change lives within an area. In order to ensure partners were doing all they could to reduce inequalities in Shetland, the Shetland Partnership Board (SPB)<sup>7</sup> established Shetland's Commission on Tackling Inequalities. The Commissioners were invited to participate in order to bring a mix of experience, skills and knowledge to the table, both local and from outwith Shetland.

Appendix 1 sets out the Terms of Reference and membership of the Commission.

The Commission was tasked with assessing the nature, causes and impact of socio-economic inequalities in Shetland, and to use this to develop recommendations to reduce these inequalities.

The Commissioners met to hear evidence on the following topics:

- Baseline Research;
- Household Finances;
- Fuel Poverty;
- Transport;
- Geography and Communities;
- Early Intervention and Prevention.

Information was drawn from published data and reports and by inviting evidence from a range of agencies and communities within Shetland and beyond<sup>8</sup>. The Commission was keen to hear from individuals facing challenges due to inequalities in Shetland. However, in recognition of the sensitivities involved due to Shetland's relatively small population, this was not always easy to achieve. Instead, a number of agencies were invited to use the evidence to discuss the findings with people, providing an opportunity for feedback and strengthening the evidence base. This evidence base has been quality assured by Highlands and Islands Enterprise.

<sup>7</sup>

[www.shetland.gov.uk/communityplanning/community\\_planning.asp](http://www.shetland.gov.uk/communityplanning/community_planning.asp)

<sup>8</sup> In undertaking this work, the Commission has also been able to highlight gaps in knowledge and understanding, addressed through Section 4, the Recommendations

This is the fourth Commission of its kind in Scotland and, although there have been variations in approach between areas, such local commissions are now recognised as best practice in terms of ensuring local areas are tackling inequality.

The Commission is heartened that positive change has already resulted from their work, some of which is captured in Appendix 3.

**The Commission wished to understand the complexities of inequalities, in order to understand what is required to support those who are currently unable to share in the 'everyday lifestyles of the majority because of a lack of resources', thereby achieving equity'.**

### 1.2 Socio-Economic Inequalities<sup>9</sup>

Whereas exploration of poverty, disadvantage and exclusion 'concentrates on the situation for those at the bottom of society', inequality focuses on whole societies, and how resources are distributed across these<sup>10</sup>. Poverty is fundamentally linked to how resources are distributed and redistributed, however. For example, within the EU, countries with high levels of inequality are also likely to have high levels of poverty and those with lower levels of inequality are highly likely to have lower levels of poverty<sup>11</sup>.

*The Spirit Level*<sup>12</sup> explored inequalities within societies further, using evidence to highlight that poorer outcomes are not only experienced by those in poverty but by everyone within that society.

<sup>9</sup> There are many terms and definitions used to categorise or describe people within a society who are not able to benefit from the opportunities available to those around them. Definition is not simple, due to the different, often complex factors and processes in operation. The glossary provides some definitions.

<sup>10</sup> <http://www.poverty.org.uk/summary/eapn.shtml>

<sup>11</sup> Poverty and Inequality in the European Union (European Anti-Poverty Network), reproduced with their permission <http://www.poverty.org.uk/summary/eapn.shtml>

<sup>12</sup> Wilkinson, R.G. & Pickett, K. (2009) *The Spirit Level: Why More Equal Societies Almost Always Do Better*, London



Exploration of inequalities often focuses on the distribution of income. For example, the Gini Coefficient is used to measure inequality in the distribution of income in a country<sup>13</sup>. However, the Commission wished to understand the complexities of inequalities, exploring resources available to an individual and family in its broadest sense, in order to understand what is required to support those who are currently unable to share in the ‘everyday lifestyles of the majority because of a lack of resources’<sup>14</sup>, thereby achieving equity.

**“As a man maks up his bed, sae lays he him doon.”**

**Translation:** Conditions or results in later life follow on from early practices or result from decisions made previously.

**Source:** Shetland saying

### 1.3 Reporting

This report:

- Provides the key findings of the Commission (Chapter 2);
- Captures some of the impacts of the Commission, to date, and provides a useful illustration of how the Commission’s work can influence future activity (Chapter 3); and
- Sets out the Commission’s recommendations to the Shetland Partnership Board (Chapter 4)
- The evidence base is provided in Appendix 2.

More **detailed information** drawn together to assist the Commission with their work is available at:

[www.shetland.gov.uk/equal-shetland/evidence.asp](http://www.shetland.gov.uk/equal-shetland/evidence.asp)

A **summary report** is also available at:

[www.shetland.gov.uk/equal-shetland/default.asp](http://www.shetland.gov.uk/equal-shetland/default.asp)

<sup>13</sup> The ratio between the total income received by 10 or 20% of a country’s population with the highest income to that received by the 10 or 20% lowest income; the higher the ratio, the greater the inequality.

<sup>14</sup> Shucksmith and Philip (2000)

## 2. Socio-Economic Inequalities in Shetland

This chapter draws on the evidence base of current national and local research and data to explore inequalities in Shetland. This evidence is provided in Appendix 2.

### 2.1 Introduction

The Commission understands that an unequal society results in poorer outcomes for everyone within that society. This is based on evidence provided within *The Spirit Level* and the arguments of the authors<sup>15</sup>, that, as social animals, we tend to see ourselves through other people's eyes, judge ourselves against others and consider our social position. We are, therefore, sensitive to inequalities.

The graph below, known as the Index Graph, shows that when all the health and social problems analysed in *The Spirit Level* are combined into an index there is a very strong relationship with income inequality.

Data is examined for a number of health and social indicators, including maths and literacy, infant mortality, homicide, trust, obesity and mental illness (including substance misuse). More unequal countries, such as the UK, tend to score worse on all these indicators than more equal ones.

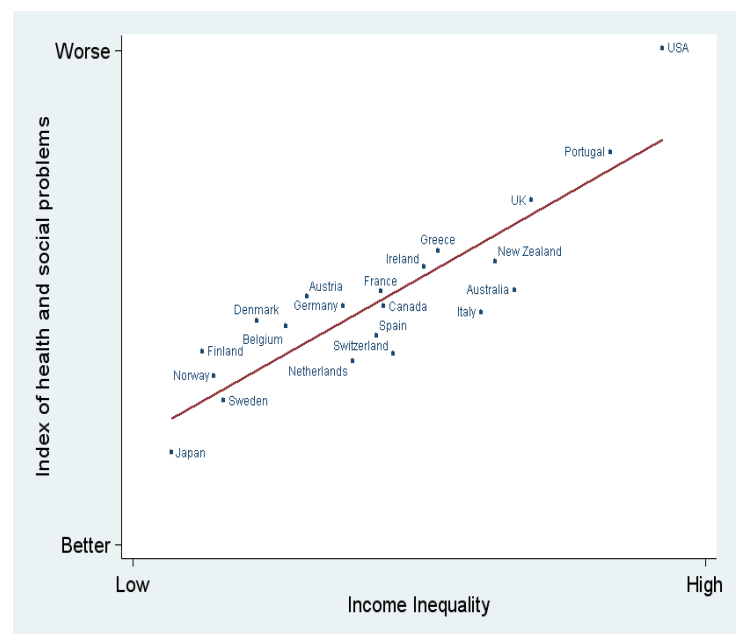
Shetland society changed rapidly from the early 1970s, within a generation. As a community, Shetlanders now have high expectations and relatively good wages. Shetland frequently comes top or close to the top of areas of Scotland with the best quality of life<sup>16</sup>. However, if you and your family are not able to experience the 'everyday lifestyles of the majority because of a lack of resources'<sup>17</sup> then it can be more isolating in Shetland than in areas where there is a more shared experience of living without these resources.<sup>18</sup>

Consideration of the evidence has led the Commission to define three main dimensions to socio-economic inequalities in the context of Shetland:

- The money we have;
- The people we are; and
- The places we live.

The level of resource available to us, as individuals or individual families determines the extent to which we can participate in the communities within which we live, whether local, work or common-interest communities. And where we live can exacerbate and put added strain on the resources available to families. These are explored in turn, overleaf.

The Index Graph



Source: *The Spirit Level* (2009)

<sup>15</sup> Wilkinson, R.G. & Pickett, K. (2009) *The Spirit Level: Why More Equal Societies Almost Always Do Better*, London

<sup>16</sup> For example, Bank of Scotland (2015):

<http://www.lloydsbankinggroup.com/Media/Press-Releases/2015/bank-of-scotland/the-highlands-and-islands-are-the-best-places-to-bring-up-children/>

<sup>17</sup> Shucksmith and Philip (2000)

<sup>18</sup> Research into Deprivation and Social Exclusion in Shetland (2006) <http://www.shetland.gov.uk/communityplanning/documents/Dep.andsocialexclusionexecsummary-eperring.pdf>

## 2.2 The Money We Have

Our available financial resources depend on the money coming into a household and the cost of what we need and want. The amount of money we have influences the choices we make about our spending. This section explores:

- Differences in household income in Shetland;
- Factors influencing employment prospects, but acknowledging the increasing issues of in-work poverty;
- The cost of living in Shetland;
- The impact of this on the choices households have to make; and
- How these factors impact differently across families.

### 2.2.1 Income

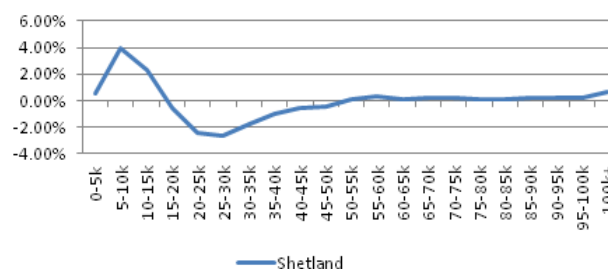
The Scottish Index of Multiple Deprivation (SIMD) determines that 6.6% of the Shetland population are income deprived, compared to 13.4% across Scotland (2012)<sup>19</sup>. However, benefit claims tend to be lower in rural areas, masking true levels of income deprivation<sup>20</sup>.

In relation to income inequality, in 2014 10% of households in Shetland had an income of £9,175.49 or less, and 20% of households had an income of £13,564.13 or less. This compares to a median household income of £28,068 and a mean income of £33,934<sup>21</sup>.

Since 2008 there has been little change in the percentage of households with an overall income of £45,000 or more a year, but there has been a 2-3% shift in the number of households within income bands £20,000-£30,000 to lower household incomes.

The following table sets out the average weekly income for people on key UK benefits, the Minimum and Living Wage. A Job Seeker in Shetland receives £73.10 a week<sup>22</sup>, whilst those on the median wage receive £537.70 (gross of tax and housing costs).

## Proportional Difference in Banding by £5,000 Bands, Shetland, 2008 to 2014



National benefit level increases have not kept up with increases in the cost of living: there has been a 1% cap from 2013 and 4 year freeze from 2016, whilst there is evidence of an increase in the average wage in the UK<sup>23</sup>, along with the introduction from April 2016 of the National Living Wage (which is not the same as the Living Wage, as determined by the Living Wage Foundation).

## Examples of Benefit Payments / Minimum and Living Wage (2015)

	Weekly
<b>Job Seekers Allowance Income-Based:</b>	
18-24	£57.90
25+	£73.10
<b>Employment and Support Allowance:</b>	
Work-Related Activity Group (WRAG)	£102.15
Support Group	£109.30
<b>State Pension:</b>	£115.95 (Max)
<b>Pension Credit:</b>	
Single	£151.20
Couple	£230.85
	(Tops up weekly income to this)
<b>Minimum Wage, 37 hours:</b>	
Apprentice	£122.10
Under 18	£143.19
18-20	£196.10
21+	£247.90
<b>Living Wage, 37 hours</b>	£305.25

Source: UK Government (<https://www.gov.uk>) / Living Wage Foundation (Excludes Housing Benefit for those who are eligible)

<sup>19</sup> Scottish Index of Multiple Deprivation (2012): <http://www.gov.scot/Topics/Statistics/SIMD>

<sup>20</sup> Bramley et al (2000)

<sup>21</sup> CACI, 2014: The applicable copyright notices can be found at: <http://www.caci.co.uk/copyrightnotices.pdf>

NB: it is not possible to calculate the Gini Co-efficient in Shetland, as the income of the highest earning households cannot be fully determined using data available.

<sup>22</sup> DWP, 2015/16

<sup>23</sup> <http://www.theguardian.com/money/2015/sep/16/uk-wages-rising-at-quickest-rate-in-six-years>

### 2.2.2 Employment

Employment provides an opportunity to increase the income of a household. Employment rates in Shetland are high. For example between July 2014 and June 2015, 2.6% of adults were unemployed, compared to 5.9% in Scotland and 5.7% in the UK<sup>24</sup>.

Yet the small numbers exacerbate feelings of inequality. And those not in employment tend to have a number of barriers to moving into employment, such as poor mental health, long-term illness, substance misuse or a criminal conviction. Many have no experience of sustained employment. The transition from benefits to employment is risky, due to different payment regimes<sup>25</sup>.

However, work is no longer a route out of poverty, due to, for example, low pay and zero hours contracts. The majority of working-age adults in poverty in Scotland are living in working households (52%)<sup>26</sup>. Between 2007 and 2012, of those aged 18 to 59 who were in income poverty, but then entered employment, 70% moved out of poverty. The other 30% remained in poverty, despite entering employment<sup>27</sup>.

It is difficult to provide an adequate picture of in-work poverty in Shetland. Housing Benefit and

**“I wid redder geng i da wyk-ebb.”**

**Translation:** Referring to unwelcome employment, gathering whelks being a very lowly occupation.

**Source:** Shetland Saying

<sup>24</sup> NOMIS:

<https://www.nomisweb.co.uk/reports/lmp/la/1946157431/report.aspx?town=shetland>

Data recently published for October 2014 to September 2015 shows unemployment to be 2.3%

<sup>25</sup> Employees of Shetland Community Bike Project (2016)

<sup>26</sup> Scottish Poverty Statistics Summary Briefing, December 2014 – Scottish Government Communities Analytical Services <http://www.gov.scot/Topics/Statistics/Browse/Social-Welfare/IncomePoverty/povertybrief>

<sup>27</sup> ONS (2015) <http://www.ons.gov.uk/ons/rel/household-income/poverty-and-employment-transitions-in-the-uk-and-eu/2007-2012/sty-how-effective-is-getting-a-job-in-helping-people-leave-poverty-.html>

Council Tax Benefit claimants can be used as a proxy for low-income households, in or out of work; 12% of households in Shetland currently claim these benefits<sup>28</sup>. There is also not an adequate picture of other causes of in-work poverty, such as the numbers experiencing low pay, temporary contracts and zero hours contracts, and the impacts for these individuals and their families. These are explored overleaf.

Available data suggests strong gender segregation within Shetland’s workforce: both in terms of roles (e.g. 89% of the Council’s care workers are women and 100% of joiners, marine staff and road workers are men) and hours worked per week (e.g. 93% of part-time workers in the NHS are women). Nationally, part time work is predominantly found in low paid sectors and lower grades, contributing to the gender pay gap<sup>29</sup>. The Commission’s work has begun to throw light on gender segregation within Shetland and the impact on local socio-economic inequalities.

At a national level, policies recognise, at least to some extent, the importance of childcare services to families and the economy; there is a drive in Scotland and the UK to find ways to reduce the cost of childcare for families. Although there is limited evidence of a substantial shortage of formal childcare provision in Shetland there is evidence that it can be hard to find a straightforward childcare solution<sup>30</sup>.

As a result, patchwork solutions, including informal childcare, are believed to be dominant in Shetland. Families may have to find a compromise, for example changes to the hours that they work or opting for a childcare service that would not have been their first preference<sup>31</sup>. However, it is recognised there is not sufficient understanding of the impact of childcare provision on household budgets.

<sup>28</sup> SIC, 2015

<sup>29</sup> See Appendix 2.5

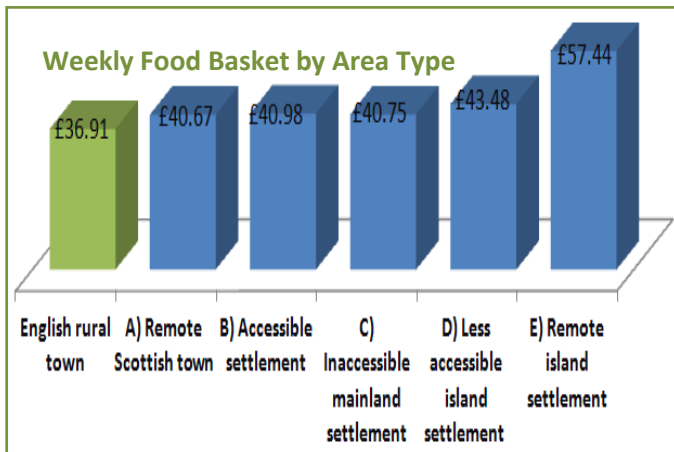
<sup>30</sup> This was highlighted by Eastern European migrants to Shetland, at Commission 4

<sup>31</sup> Position Statement: Childcare Services in Shetland (2014)

### 2.2.3 Cost of Living

The Minimum Income Standard for Remote Rural Scotland (MIS) establishes the weekly cost for people to live at a minimum acceptable standard<sup>32</sup>. As well as essential items such as heating, healthy food and running a private vehicle, it includes the cost of opportunities and choices necessary to participate in society.

The budgets that households need to achieve this minimum acceptable living standard in remote rural Scotland typically are 10-40 per cent higher than elsewhere in the UK.



Source: Minimum Income Standard for Remote Rural Scotland, 2013

For those households in Shetland able to achieve the Minimum Income Standard, through income and savings, it is assumed they are able to choose a lifestyle similar to the majority. Those households without sufficient finances will be making choices about which essential items they can manage without, such as energy, transport or healthy food. This is particularly challenging for those on benefits. There is a flat rate, across the UK, not taking account of the higher cost of living in some areas, particularly for essential items, including the Highlands and Islands. For example: for a single person living in a remote island settlement, it is calculated that Income Support provides 28% of the income required to have an acceptable standard of living<sup>33</sup>.

<sup>32</sup> Minimum Income Standard (2013): <http://www.hie.co.uk/regional-information/economic-reports-and-research/archive/a-minimum-income-standard-for-remote-rural-scotland.html>

<sup>33</sup> Minimum Income Standard (2013): <http://www.hie.co.uk/regional-information/economic-reports-and-research/archive/a-minimum-income-standard-for-remote-rural-scotland.html>

In Shetland, there has been an average increase from eight food parcels a month in 2010 to 29 per month in 2015. Recent increases are attributed to the introduction of Universal Credit in Shetland, resulting in delays in receiving funds.

Source: Salvation Army (2016)

### 2.2.4 Impact on Choice

Those households without sufficient finances will be making choices about which essential items they can manage without, such as energy, transport or healthy food. This will affect their health and ability to participate in the opportunities Shetland has to offer. They may get into debt.

#### Energy

43% of households in Shetland are estimated to be in Fuel Poverty (4644 homes) and over 13% are living in extreme Fuel Poverty<sup>34</sup>. It is more prevalent in private than social housing.

This is one of the highest rates in the UK due to:

- Shetland's climate, in particular the lower average temperature and wind-chill, means householders need to have heating on for a higher proportion of the year than elsewhere in the UK. It is estimated that Shetland households need to use twice the national average amount of energy per home (SSE). These factors are not taken into account when allocating Cold Weather Payments.
- The higher energy tariff levied in the Highlands and Islands and the lack of cheaper alternative heating sources, such as mains gas<sup>35</sup>.

<sup>34</sup> Scottish House Condition Survey (2011/13): <http://www.gov.scot/Publications/2015/12/8460/0>  
The definition of Fuel Poverty, used by UK and Scottish Governments, is a household spending more than 10% of its income on heating costs.

NB: The data for 2012/14 shows a 10% increase, to 53% of households in Fuel Poverty (compared to 62% in Western Isles and Orkney), published 2<sup>nd</sup> February 2016.

<sup>35</sup> Minimum Income Standard (2013): <http://www.hie.co.uk/regional-information/economic-reports-and-research/archive/a-minimum-income-standard-for-remote-rural-scotland.html>

Households on a low income tend to prefer a card meter, as it can be the safest way to manage fuel bills. Ironically this is the most expensive form of electricity<sup>36</sup>.

#### FUEL BILL EXAMPLE

A household in social housing in an English rural town is estimated to spend £12.36 / week on their fuel bill.

This compares to:

£22.99 in a Northern Isles Town;

£35.13 in a Northern Isles Settlement

(£43.50 in private rented).

Source: MIS (2013)

Current Fuel Poverty statistics are assumed to be an under-estimate, as people choose not to heat their homes to save money<sup>37</sup>. In a recent local survey, 46% of respondents had rooms unheated due to fuel costs and 56% had to cut back on essentials (such as food and children's clothes and shoes) to pay for fuel<sup>38</sup>.

Many actions which could reduce Fuel Poverty are not within local control, highlighting the need for increased understanding of the issues for partners out with Shetland.

#### Travel

The cost and availability of transport influence individuals' ability to gain access to employment, services and social opportunities. Travel concessions are available for external and internal travel; some are provided at a national level and others are local.

At the individual and household level, travel is prohibitive for those on lower incomes, particularly those not entitled to concessions. This can lead to debt to meet costs if people are

forced to travel (e.g. family bereavement, hospital visits and family crisis).

As an example, the following table provides comparisons for the cost of travel to and from the islands.

#### Cost of Travel To and From the Islands (2015) and Concessions Available for Any Island-Based Family of 2 Adults and 2 Children

No Northlink ID	
Lerwick-Aberdeen:	£754.00
Kirkwall-Aberdeen:	£518.60
Stromness-Scrabster:	£234.60
Stornoway-Ullapool:	£154.20
With Northlink ID <sup>39</sup>	
Lerwick-Aberdeen:	£592.60
Kirkwall-Aberdeen:	£395.40
Stromness-Scrabster:	£152.60
Stornoway-Ullapool:	£154.20

Source: Northlink, Peak Season 2015

(See Note on Northlink ID <sup>39</sup>)

Children= under 16) Fares include car and cabin

The 2006 research highlighted that, in most areas of Shetland, including the peripheral areas of Lerwick, a car is necessary to ensure access to and choice of employment and opportunities<sup>40</sup>. It had been assumed that the barrier to vulnerable people accessing opportunities was a lack of availability of buses; however, evidence has demonstrated that inability to afford fares, for example for those on benefits who wish to move into employment, is also an issue<sup>41</sup>.

Those groups that benefit from discounted or free travel are not necessarily those that, financially, need it most<sup>42</sup>.

<sup>36</sup> This was also highlighted as an issue in the Research into Deprivation and Social Exclusion in Shetland (2006): <http://www.shetland.gov.uk/communityplanning/documents/Dep.andsocialexclusionexecsummary-eperring.pdf>

<sup>37</sup> To establish a more robust understanding of levels of Fuel Poverty in Shetland, Shetland Islands Council is currently undertaking a household Fuel Poverty survey, similar to survey's recently undertaken in the Western Isles, and Orkney. For example, the Western Isles state Fuel Poverty is over 70%.

<sup>38</sup> CAB (2013): <http://www.cas.org.uk/system/files/Fuel%20Bills%20Survey%20Report.pdf>

<sup>39</sup> Islanders' 30% discount Northlink Concession 30% discount

<sup>40</sup> Research into Deprivation and Social Exclusion in Shetland (2006): <http://www.shetland.gov.uk/communityplanning/documents/Dep.andsocialexclusionexecsummary-eperring.pdf>

<sup>41</sup> Employees of Shetland Community Bike Project (2016)

<sup>42</sup> See Appendix 2



## Debt

In 2014/15, Shetland's CAB dealt with 4,007 debt issues, 30% of all enquiries. Although there will be multiple debt issues for some individuals, the number of issues are over a third of the number of households in Shetland. CAB debt advisers dealt with over £1.64m of debt, an average of £6,434 per case. And the number of debt cases has increased over the last 3 years from 60 cases in 2012/13 to 255 in 2014/15<sup>43</sup>.

In particular, CAB has seen a 60% growth in total utilities debt between 2013/14 and 2014/15; from £30,427 up to £48,773, in part due to confusion with the system.

A third of respondents to a recent local survey stated that they struggle to pay their fuel bills, with 64% using a credit card at some point, to pay<sup>44</sup>.

## Food

For those on a low income, it is particularly difficult to afford to eat healthily: for example on a recent shopping exercise the cost of five fruit and vegetables a day for a family of four was costed. It came to £22.98 and £26.31 in each of the supermarkets<sup>45</sup>. And significant resources (land, skills and time) are required to grow fruit and vegetables to compensate for the cost of buying them. Some children in Shetland come to school without having had breakfast<sup>46</sup>.

There has been an average increase from eight food parcels a month in 2010 to 29 per month in 2015<sup>47</sup>. Recent increases are attributed to the introduction of Universal Credit in Shetland, resulting in delays in receiving funds<sup>48</sup>.

<sup>43</sup> CAS Bureau Characteristics Survey (NB: in part these figures are dependent on the capacity of staff)

<sup>44</sup> CAB (2013): <http://www.cas.org.uk/system/files/Fuel%20Bills%20Survey%20Report.pdf>

<sup>45</sup> Salvation Army, Shetland (2015)

<sup>46</sup> Commission 5, 23<sup>rd</sup> November 2015

<sup>47</sup> Food parcels tend to be required when a household has an unexpected, often unplanned for, increase, in expenditure (such as white goods, birthdays, fuel) or reduction in income (through illness, retirement, for example), and they do not have the safety net of savings or networks to support them at the time.

<sup>48</sup> Salvation Army (2016)

## 2.2.5 Household Differences

Household incomes and expenditures vary between households.

The number of young people (16-29 years) in Scotland with a low income has increased in the last 10 years, compared to a decrease for all other age groups<sup>49</sup>. Young people in Shetland are concerned about the high cost of living in Shetland, in particular for housing and travel to and from islands<sup>50</sup>.

The working age poverty rate remains unchanged in Scotland since the early 1990s, however 64% of households in poverty are of working age. The Child Poverty rate has been decreasing, but it is showing signs of an increasing trend<sup>51</sup>.

The higher additional cost to achieve a Minimum Income Standard is most acute for single households followed by families supporting children, see Figure, overleaf.

Although the cost of living for pensioners living in remote rural Scotland is higher than those living in an English rural town, the increase is modest compared to other household types. In Shetland, 68% of pensioner households are in Fuel Poverty<sup>52</sup>. At the Scottish scale the number of pensioners in poverty has reduced by two thirds since mid-1990s<sup>53</sup> but with the higher cost of living in Shetland, pensions and pension credit will not go so far.

<sup>49</sup> Kenway, P., Bushe, S., Tinson, A., and Born, T. B. (2015) *Monitoring Poverty and Social Exclusion in Scotland, 2015*, York

<sup>50</sup> Young People in Shetland: Attitudes and Aspirations (2015): <http://www.hie.co.uk/regional-information/economic-reports-and-research/archive/young-people-and-the-highlands-and-islands-attitudes-and-aspirations-research.html>

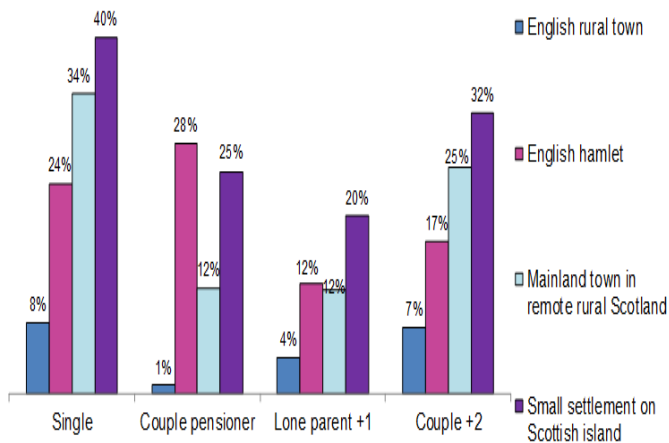
<sup>51</sup> Kenway, P., Bushe, S., Tinson, A., and Born, T. B. (2015) *Monitoring Poverty and Social Exclusion in Scotland, 2015*, York

<sup>52</sup> Scottish House Condition Survey (2011/13): <http://www.gov.scot/Publications/2015/12/8460/0>

<sup>53</sup> Kenway, P., Bushe, S., Tinson, A., and Born, T. B. (2015) *Monitoring Poverty and Social Exclusion in Scotland, 2015*, York



### Additional Costs Compared to Urban UK Households<sup>54</sup>



### 2.3 The People We Are

Our capacity, resilience and ability to participate in society, as individuals and as part of families are another resource available to us. This includes our well-being, family circumstances, past experiences and the views of others. This section explores these factors in the context of socio-economic inequality in Shetland.

**“A freend i da wye is better as a penny i da purse.”**

**Translation:** When a need arises, a good friend is often better than money.

**Source:** Shetland saying

It is not easy to measure these resources, and there is a complex inter-play of cause and effect. If an assumption is made that those who are lacking in these resources are less likely to achieve positive outcomes, the following data provides an indication:

- 6% of Shetland’s school pupils did not achieve 5 awards at SCFQ or better (National 4), in 2013<sup>55</sup>;

<sup>54</sup> Minimum Income Standard (2013): <http://www.hie.co.uk/regional-information/economic-reports-and-research/archive/a-minimum-income-standard-for-remote-rural-scotland.html>

<sup>55</sup> Shetland Islands Council, Children’s Services Directorate, Schools / Quality Improvement Secondary School Comparison Project Report (January 2015)

- 3.8% of Shetland’s young people were unemployed and a further 2.2% were being supported to move into employment, education or training during 2013/14. Of these, 2/3 were male and nearly 1/3 suffered from long-term illness (the highest rate in Scotland)<sup>56</sup>;
- 2.6% of Shetland’s adults were unemployed between July 2014 and June 2015<sup>57</sup>; 16.4% were economically inactive<sup>58</sup>, although 87.8% were not seeking work.

Again, an assumption can be made that these statistics relate to the same individuals, as they move through education to become working age adults. Many of those who are out of work in Shetland did not attain any or many formal qualifications at school and had poor educational experiences<sup>59</sup>. Professionals are picking up patterns of intergenerational cycles of poor outcomes for individuals and families<sup>60</sup>.

These people may be experiencing a number of vulnerabilities, preventing them from having the resilience to overcome challenges, particularly at times of life transitions, such as becoming a parent (particularly at a young age), losing a job or a relationship breakdown. Many of these vulnerabilities stem from wellbeing, and may include physical health (particularly long-term illness), disabilities and mental health.

It is estimated that out of 15,000 adults aged 15-65 in Shetland, at least 5,000 will experience some form of mental ill health or distress each year<sup>61</sup>. About 1-2% of the population has psychotic disorders (approximately 150-300 adults in

<sup>56</sup> Skills Development Scotland:

<https://www.skillsdevelopmentscotland.co.uk/publications-statistics/>

<sup>57</sup> NOMIS:

<https://www.nomisweb.co.uk/reports/lmp/la/1946157431/report.aspx?town=shetland>

<sup>58</sup> This includes students, those looking after family / home, temporarily sick, long-term sick, retired.

<sup>59</sup> Research into Deprivation and Social Exclusion in Shetland (2006):

<http://www.shetland.gov.uk/communityplanning/documents/Dep.andsocial'exclusionexecsummary-eperring.pdf> and Shetland’s Employability Pathway (2015)

<sup>60</sup> Commission 5

<sup>61</sup> The Scottish Mental Health Strategy estimate that mental disorders affect more than a third of the population every year, the most common of these being depression and anxiety

Shetland)<sup>62</sup>. The ageing population is leading to an increase in the number of people with dementia; 5% of people over 65 (approximately 200 in Shetland) and 20% of those over 80 years of age.

In all countries, most mental disorders are more prevalent among those who are most deprived.

The prevalence of mental disorders does not appear to be changing significantly over time, though more people are accessing treatment and support as understanding grows and the stigma of mental illness is reducing.

Recent data showed that 20.74% of pupils in Secondary 3 (14/15 years) in Shetland had been 'bothered by feeling down, depressed or hopeless in the last month'; 10.23% had 'deliberately injured themselves'; and 23.61% stated that they 'felt stress was affecting their daily life'<sup>63</sup>.

**"Der money a change in a simmer dim, far less a winter's nicht."**

**Translation:** Things can change very quickly, even in the most favourable circumstances.

**Source:** Shetland saying

According to the Shetland Alcohol and Drug Partnership Strategy 2015/20, 65% of child protection cases involve parental drug and/or alcohol misuse, compared to 39% for Scotland, and 17.8% of 15 year olds drink on a weekly basis, compared to 11.6% for Scotland.

According to the 2011 Census, 8.8% of Shetland's population are carers. Of this, 6.7% are under 24 and 17.4% are 60 or over. And 42% of carers have one or more long-term conditions. However, these numbers may mask the true number, as people tend to think that caring is something you do for a loved one. Rurality exacerbates isolation and makes it more difficult to provide meaningful peer support<sup>64</sup>.

These vulnerabilities can be both cause and effect, exacerbating the challenges and barriers to participation faced by individuals and families. For example:

- Of those people over 25 being supported into employment locally (end of 2015), 10% had a criminal conviction, 60% had poor mental health and 20% had substance misuse issues. Therefore it is not surprising that 92.5% of that group are long-term unemployed or have had no recent period of sustained employment<sup>65</sup>; and
- In 2014/15, 75% of those supported by the Council's Criminal Justice Service were unemployed, 66% were males under 25, and many had poor qualifications<sup>66</sup>.

On a practical level, claiming benefits can be complex and confusing, and the move to Claimant Commitment, digitalisation, Universal Credit and Personal Independent Payment are increasing those challenges<sup>67</sup>. It is also important that employers are equipped and able to support people with mental ill health or substance misuse through these challenges, while maintaining employment<sup>68</sup>.

In a recent Scottish study, led by the Scottish Youth Parliament, those young people living on their own rated the following as being the top five situations or experiences that cause young people to live in poverty:

- Leaving school without formal qualifications;
- Being a parent
- Having a relationship breakdown
- Being out of work
- Being in low paid work<sup>69</sup>.

Everyone has difficult life experiences, but how we deal with these depends not only on our own resources, but also on the resources of others around us. Overcoming such difficulties depends on having the resilience – in other words, a sufficient safety net – to enable us to move through the transition. It can be this lack of a safety net that makes some people more vulnerable than others; and this can be exacerbated by the opinion of society.

<sup>65</sup> SIC, Employability Pathway (December 2015), which provides integrated support for employment

<sup>66</sup> Criminal Justice Service, SIC (2015)

<sup>67</sup> CAB

<sup>68</sup> Commission 5

<sup>69</sup> It's not a Choice: an analysis of young people's perceptions of poverty and rights  
[http://www.syp.org.uk/img/its\\_not\\_a\\_choice/its\\_not\\_a\\_choice\\_Final\\_Report.pdf](http://www.syp.org.uk/img/its_not_a_choice/its_not_a_choice_Final_Report.pdf)

<sup>62</sup> Scottish Mental Health Strategy / GP data

<sup>63</sup> NHS Shetland (2015), S3 Health Checks

<sup>64</sup> Voluntary Action Shetland (2016)

The authors of *The Spirit Level* believe that as social animals, humans are sensitive to inequalities, tending to see ourselves through other people's eyes. We judge ourselves against others and consider our social position. Therefore, the views of those in the wider community will influence how vulnerable individuals and families feel and how they can overcome barriers they face.

Research into Deprivation and Social Exclusion in Shetland (2006), undertook specific analysis of research participants' views on their local community<sup>70</sup>.

In conclusion:

- Two thirds felt part of their community, valuing friendliness, trust, caring and sharing (this could be anything from being waved at to be involved in a local community group);
- Others felt isolated, left out or unimportant, particularly those within Lerwick, younger people, those with health issues (substance misuse and / or mental illness), carers and incomers (particularly those on a low income)<sup>71</sup>. Some described feeling discriminated against due to past behaviour or that of their family.

The 'Poverty is Bad: Let's Fix It!!' research undertaken by teenagers (2011), highlights how the nature of small communities in Shetland can increase the loneliness felt by young people<sup>72</sup>, who:

- Can easily develop negative reputations and labels, which stick and affect access to future opportunities;
- Can feel considerable pressure to 'fit in'; those who behave differently to the majority can be labeled and stigmatised;
- Find integration into Shetland life difficult, particularly for those who are not originally from Shetland.

<sup>70</sup> Research into Deprivation and Social Exclusion in Shetland (2006):  
<http://www.shetland.gov.uk/communityplanning/documents/Dep.andsocial'exclusionexecsummary-eperring.pdf>

<sup>71</sup> This was highlighted by those employed at the Bike Project who can feel very isolated, particularly those with mental health problems (2016)

<sup>72</sup> Poverty is Bad – Let's Fix It!! (2011):  
[http://www.shetland.gov.uk/youth\\_services/documents/Shetland20Report0Final20Draft.pdf](http://www.shetland.gov.uk/youth_services/documents/Shetland20Report0Final20Draft.pdf)

In addition, young people said they felt the lack of, and expense of, transport prevented them from accessing opportunities, which in turn may result in isolation, mental ill health and seeking excitement through alcohol and drugs.

Unlike urban areas, such as Glasgow, there tends to be a lack of family support for those in the criminal justice system. The indication is that this is because of the community stigma associated with being involved in crime<sup>73</sup>.

In recent years there has been increased research into loneliness: a mismatch between relationships we have and the relationships we want, leading to pain and isolation.

#### Local Research Demonstrates:

If people feel part of their community, they feel they have a good quality of life.

**Source:** Research into Deprivation and Social Exclusion in Shetland (2006)

Research highlights some of the impacts<sup>74</sup>:

- Increases risk of depression;
- 64% increased risk of developing clinical dementia;
- Increases the risk of high blood pressure;
- Is an equivalent risk factor for early mortality to smoking 15 cigarettes a day; and
- A greater impact than other risk factors such as physical inactivity and obesity.

And lonely people:

- Are vulnerable to alcohol problems;
- Eat less well – they are less likely to eat fruit and vegetables;
- Are more likely to be smokers and more likely to be overweight; and
- Are less likely to engage in physical activity and exercise.

Local research in this area highlights the extent to which isolation and loneliness is a key factor in the lives of Shetland's most vulnerable people, exacerbated by trying hard to keep their

<sup>73</sup> Criminal Justice Service, SIC (2015)

<sup>74</sup> Joseph Rowntree Foundation (2013):  
<https://www.jrf.org.uk/report/loneliness-resource-pack>

challenging circumstances hidden as they perceive a lack of understanding within the wider community<sup>75</sup>. This makes it particularly hard for neighbours and services to know how best to provide support. This is also thought to contribute to under-claiming of national benefits in rural areas<sup>76</sup> and possibly local benefits such as Free School Meals.

However, the local research also demonstrates that if people feel part of their community, they feel they have a good quality of life<sup>77</sup>. These findings contributed to the development of a pilot project run in Shetland, which demonstrated the wider impacts of integration of families into a community, such as the improved educational attainment of the children<sup>78</sup>.

Turning poor outcomes for individuals and families into positive outcomes, thereby breaking negative cycles, can happen at any age. Often the key can be ensuring that each person has someone they can identify with, and trust, supporting them through change.

The greatest impact for an individual will be achieved at the earliest age, for example, pre-birth. Positive experiences in early years are clearly important.

**“Der mony a pellt röl come to be a göd horse.”**

**Translation:** Many a rough youngster becomes a good adult.

**Source:** Shetland saying

The Growing Up in Scotland (GUS)<sup>79</sup> study concluded that where you are born, and into what socio-economic status, affects your outcomes:

<sup>75</sup> Research into Deprivation and Social Exclusion in Shetland (2006):

<http://www.shetland.gov.uk/communityplanning/documents/Dep.andsoalexclusionexecsummary-eperring.pdf>

<sup>76</sup> Bramley et al (2000)

<sup>77</sup> Research into Deprivation and Social Exclusion in Shetland (2006):

<http://www.shetland.gov.uk/communityplanning/documents/Dep.andsoalexclusionexecsummary-eperring.pdf>

<sup>78</sup> Community Connections, 2012

<sup>79</sup> Tackling Inequalities in the Early Years: Key messages from 10 years of the Growing Up in Scotland study (2015):

<http://growingupinscotland.org.uk/new-findings-tackling-inequalities-in-the-early-years/> (children in the older cohort

i.e. what happens or does not happen in the early years (pre-conception, pre-birth, through to mid-primary), has an overwhelming effect on outcomes later on.

One area of particular national interest at the moment is educational attainment. The Closing the Attainment Gap in Scottish Education report by JRF (2014) provides examples of activity effective in closing the gap in attainment. Some examples are:

- High-quality, full-day preschool education (in particular the quality of provision, for those children from low income families);
- Parental involvement programmes, helping parents support their children’s learning at home (based on international evidence);
- Co-operative learning if taught across the school;
- Nurture groups and programmes to increase social, emotional and behavioural competencies (with impact on attainment to be robustly evaluated); and
- Academically focused, after school activities.

This report makes the link between the impact of families and the wider community on the experiences and therefore attainment of young people. As well as formal qualifications, there are many out of school activities on offer for Shetland’s young people. These form an important part of their experiences of growing up. However, these opportunities are not obtainable to everyone, due to finances, family capacity or stigma<sup>80</sup>.

## 2.4 The Places We Live

Geography interacts with the two dimensions explored above, household income and family resilience and capability. Geography can exacerbate inequalities.

The evidence shows that areas more remote from Lerwick, in particular the North Isles, tend to have both a lower median income and higher cost of living resulting in greater cost pressures on households.

were born in 2004/05 and the younger cohort were born in 2010/11, both selected at random from Child Benefit records, tracking about 10,000 individuals).

<sup>80</sup> Commission 5, 23<sup>rd</sup> November 2015

**Median Household Income (Gross)<sup>81</sup>**

	Median Household Income (2014)
North Isles (Unst, Yell, Fetlar)	£23,000 to £25,000
Northmavine	£25,000 to £27,000
Tingwall, Whiteness & Weisdale, Gulberwick, Quarff & Cunningsburgh	£33,000-£35,000
Lerwick	£25,000 to £27,000

This shows that the Median Household Income in the North Isles (Unst, Fetlar and Yell) was £23,000 to £25,000 in 2014 and between £25,000 to £27,000 in Northmavine compared to £33,000-£35,000 in Tingwall, Whiteness & Weisdale and Gulberwick, Quarff & Cunningsburgh. In more rural areas, households are more likely to have multiple employments to bring in a household income<sup>82</sup>.

**Minimum Income Standard<sup>83</sup>**

	Minimum Income Standard for Single Person Household, excl. Housing Costs (2013)
Town (e.g. Lerwick)	£263.79
Accessible from Town (e.g. Tingwall, Whiteness & Weisdale)	£278.09
Inaccessible from Town (e.g. North Isles)	£321.00
Remote from Town	£344.56

The weekly fuel bill for a household living in social rented accommodation will be £22.99 in a Northern Isles Town (Lerwick), and £35.13 in a Northern Isles Settlement. And the weekly food bill for a less accessible island settlement is £43.48 and £57.44 for a remote island settlement<sup>84</sup>.

<sup>81</sup> CACI, 2014

<sup>82</sup> For example, the Outer Isles, Commission, Session 4

<sup>83</sup> Minimum Income Standard (2013): <http://www.hie.co.uk/regional-information/economic-reports-and-research/archive/a-minimum-income-standard-for-remote-rural-scotland.html>

<sup>84</sup> Minimum Income Standard (2013): <http://www.hie.co.uk/regional-information/economic-reports-and-research/archive/a-minimum-income-standard-for-remote-rural-scotland.html>

Members of the Commission undertook a price comparison exercise in June 2015<sup>85</sup>:

**Price Comparison Exercise**

	Cost of Basket of Staple Food
Lerwick Supermarket	£10.35
Unst	£16.31
Whalsay	£17.07
Fair Isle	£19.93

The Median Household Income in Lerwick is also comparatively low: £25,000 to £27,000 in 2014<sup>86</sup>. And 18% of households in Lerwick and Bressay claim Housing Benefit and / or Council Tax Benefit, compared to 14% in the North Isles and a Shetland average of 12%<sup>87</sup>. In part this can be explained by the higher concentration of social housing in Lerwick.

Within Shetland, it is more challenging for those living in the more remote areas to find sustained employment<sup>88</sup>, due to fewer opportunities, a lack of childcare and the cost of transport to employment elsewhere. Households may only be able to afford housing in more remote areas, but are then tied in to high transport costs to access employment.

The cost of housing within Shetland is linked to geography. The cost of housing is higher in Lerwick and central areas of Shetland than more remote areas. This, in turn, affects the finances of households; yet being able to live in more central areas may be a necessity for households, in order to access employment and meet other needs. Householders on a low income in more rural areas are more likely to have issues with the condition of their housing; they are seldom in a position to be able to pay for improvements or adequate heating.<sup>89</sup> And, as would be expected, rates of Fuel Poverty are higher in the more rural areas of Shetland. For example, rates in Tingwall, Whiteness & Weisdale are 41.5-42.6% of households compared to 58.3-67.8% in the North

<sup>85</sup> Commission, Session 4

<sup>86</sup> For example, the Outer Isles

<sup>87</sup> SIC, 2015

<sup>88</sup> DWP, 2015

<sup>89</sup> CACI, 2014



Isles<sup>90</sup>. In some of the Outer Isles, there are considerable challenges to maintaining an energy supply<sup>91</sup>.

As well as income and cost of living, geography affects people's access to opportunities, such as employment, services and social activities. It also influences other experiences; for example, in some cases school children must stay in accommodation in Lerwick, away from their parents. It is acknowledged that, even with no public funding constraints the public transport network will never be comprehensive enough to substitute the need for, and benefits of, being able to afford to run a private vehicle. In other words, in most areas of Shetland, including the peripheral areas of Lerwick, a car is necessary to ensure access to, and choice of, employment and opportunities.

The SIMD includes an Access Domain, which determines accessibility to certain services. As would be expected, 22 of Shetland's 30 datazones are in the 15% most deprived datazones for access in Scotland, with the North Isles ranked 12<sup>th</sup> most deprived. The cost of travel to opportunities is included in the MIS calculations. However, there is also the time involved in travelling and potential uncertainties due to weather. Again, this is more acute for the more remote areas of Shetland, in particular the Outer Isles<sup>92</sup>.

The Commission was made aware of the view that geography can also impact on service provision. The views expressed underline the way in which, because of the islands' geography, decisions by any of Shetland's public authorities can have significant impacts – both positive and negative – on people's lives. The commission heard that the impacts are felt not only as the result of change, but by the threat of change, particularly when it is repeated<sup>93</sup>. Consultations are never undertaken lightly, and it is inevitable that change is going to happen.

Consequently, it is important for both public services and for communities that they work

together to develop any service changes and the known impacts of change are also understood, from the perspective of individuals, families, communities and agencies.

Advances in technology are able to go some way to overcoming the impact of geography on inequalities in Shetland, both for individuals and communities. This requires not only the provision of the infrastructure, but also the support to ensure individuals have the hardware and skills to access it. Young people, in particular, are highlighting the need for improved mobile connectivity<sup>94</sup>. Capitalising on new technologies also provides opportunities for service delivery and employment opportunities in more rural areas.

The greater challenges faced by individuals and communities in the more remote areas of

**"Der mony a guid horse snappered."**

**Translation:** Misfortunes or mishaps can occur to the best.

**Source:** Shetland saying

Shetland is captured, in part, through a methodology developed by Highlands and Islands Enterprise. This is based on the relative fragility of datazones and uses 4 key indicators<sup>95</sup>:

- Percentage change in population between 2001 and 2011
- Drive-time to the nearest mid-sized service centre
- Median household income
- Average unemployment rate during 2013.

The list of fragile areas for Shetland is: Fair Isle, Fetlar, Foula, Papa Stour, Northmavine, Skerries, Unst, Whalsay and Yell<sup>96</sup>. According to the 2011 census 16% of the population live in an area considered to be fragile (3,440 people).

<sup>90</sup> Changeworks (2015): <http://www.changeworks.org.uk/projects/fuel-poverty-maps>

<sup>91</sup> E.g. Fair Isle, see Appendix 2

<sup>92</sup> E.g. Fair Isle, see Appendix 2

<sup>93</sup> Commission 5 & 7

<sup>94</sup> Young People in Shetland: Attitudes and Aspirations (2015): <http://www.hie.co.uk/regional-information/economic-reports-and-research/archive/young-people-and-the-highlands-and-islands-attitudes-and-aspirations-research.html>

<sup>95</sup> As a relative measure, the ranking of Shetland's datazones depends on changes across the Highlands and Islands.

<sup>96</sup> See Appendix 2.5.1

Those with the resources (financial and human) will be more equipped to overcome these challenges, but others are not able to choose and may not have the resources required to either engage in their local community or to move elsewhere.

Statistics can paint a bleak picture, and although they illustrate the greater challenges for those living in more remote areas, with sufficient assets, communities and individuals can thrive; these assets include buildings, services and people. With further reductions in public sector funding, this makes it more important than ever to ensure an open and trusting dialogue between services and communities in the years to come.

2.5

“It is important for both public services and for communities that they work together to develop any service changes and that the known impacts of change are also understood...”

### Conclusions

The factors explored above interact and the effect is to create complex and multi-layered inequalities, often involving a vicious circle. For example, a lack of finances means making choices between essential needs, such as heating the home, eating healthily or being able to afford to run a private vehicle. Yet it is the lack of a vehicle that may be the barrier to moving into employment or better employment, and ultimately improved experiences and opportunities.

The picture is further complicated by an inter-play of different characteristics, such as gender, age, race, religion, which again interact and can exacerbate other factors. However, in the Shetland context a person’s vulnerability depends more on the resources they have available, which includes their ability to become part of the communities around them, than it does on, for example, protected characteristics. Underlying all these factors is the social and economic fabric woven by local and national government policy,

which determines the level of support – in whatever form – that is available to help meet individual, family or community needs.

Inequalities in Shetland are more keenly felt, where the differences between those with resources and without are well defined; the relatively prosperous community and cost of housing adds to the pressures faced by those who are struggling to make ends meet.

In summary, those individuals and families in Shetland who are particularly vulnerable are those:

- With poor educational experiences: engagement is difficult, attainment may be low;
- Unable to achieve or maintain employment;
- At risk of homelessness;
- With poor mental health;
- With chronic illness;
- With experience of substance misuse;
- Not involved in their local community (this may include not attending pre-school);
- Living in remote areas, where employment opportunities are limited and the cost of transport or running a private vehicle can be prohibitive.

And:

- Looked After Children;
- Workless or low income households; and
- Young parents.



### 3. Recommendations

**Relatively small numbers of people in Shetland suffer the direct effects of inequality; however, where inequality exists, it has a huge and far reaching impact on these individuals and their extended families. The Commission also recognises that living in an unequal society has negative impacts for all members of our society, lowering outcomes for all. It is therefore in the interest of everyone to work to create a fairer Shetland.**

The Commission believes that we in Shetland should do all that is within our power to tackle the complex web of inequalities highlighted in this report. In the face of shrinking public sector finances, it will not be easy, but we have a responsibility to do whatever we can to improve the lives and prospects of members of our community who do not currently benefit from all that Shetland has to offer. We would hope that useful gains can be made from working together more effectively or differently.

But not all of these challenges can be addressed by the Shetland community and its public agencies. The evidence also demonstrates that inequalities stem in part from national policies, for example in relation to welfare provision, over which Shetland has no control. Worryingly, changes in these policies are making the position of those in difficult circumstances even more precarious. In Shetland, with its higher cost of living, the level of support available is already unrealistically low and, if it is further eroded or if eligibility is narrowed, the most vulnerable people in our islands will find daily existence harder or, indeed, impossible.

It is therefore essential that, where change in national policy is required, Shetland's representatives make the case as powerfully as they can, drawing on the evidence in this report and, where necessary, on further research. We have identified those recommendations which focus on influencing nationally rather than taking action locally.

The recommendations are presented based on the three dimensions of inequalities:

- A. The Money We Have;
- B. The People We Are; and
- C. The Places We Live.

In addition, there is a set of recommendations around how we work (Part D).

#### A. THE MONEY WE HAVE

##### Where We'd Like to Be in 2030

Lower the percentage of households in poverty:

- Low income households are supported to reduce their household bills, such as food, energy and travel;
- Well-paid employment opportunities are available throughout Shetland;
- Childcare is affordable and meets the needs of working parents;
- Access using public transport networks, is improved for those on a low income;
- National governments understand the additional costs for essential items for families in Shetland, reflecting this in welfare payments and other relevant schemes.

##### Why?

- The relatively high cost of living in Shetland.
- Many years of rising prices for essential items against stagnant wages and benefit freezes.
- Welfare Reforms.
- A growing national trend towards an increase in households who are in work but are living below the poverty line.
- Gender segregation in the workplace, thought to result in a higher proportion of underemployment, part-time and lower paid employment for female workers.
- The entrenched and growing issue of Fuel Poverty, with much of the control over tackling it in the hands of large energy companies and national governments. For example, Shetland, along with other areas in

the Highlands and Islands, has the greatest need for energy for heating, due to geography and climate, yet households and businesses pay the greatest premiums in the UK.

- Addressing energy efficiency of homes reduces the cost for households and can also reduce carbon emissions and climate change impacts.
- People and families in Shetland on benefits cannot afford to use public transport within Shetland. This prevents access to opportunities such as volunteering or training that could move them into employment and to other universal services that others can enjoy.

Understand more about families in Shetland who are working but struggling financially, and develop at least one project to help these families.

Understand more about the childcare needs of working parents, and then develop and implement a plan that aims to improve the affordability and flexibility of childcare throughout Shetland.

Seek to increase national benefit levels in Shetland, to account for the higher cost of living in remote rural areas, working closely with UK and Scottish Government; whilst also increasing the percentage of those eligible who take up their benefits.

Review travel concessions to enable those on low incomes to travel. This can be achieved locally, but will also require change at the national level.

Make the best use of resources available, so Shetland homes can be heated affordably and efficiently, working closely with UK and Scottish Government.

## **B. THE PEOPLE WE ARE**

### Where We'd Like to Be in 2030

Reduce the number of families who are struggling to thrive:

- Individuals and families that are struggling are provided with the right support, at an early enough time;
- Everyone in Shetland seeks to ensure no one is lonely or stigmatised.

### Why?

- Approximately 5% of people in Shetland, at any life stage, are not able to have the same positive experiences and opportunities as the majority of people living in Shetland. These individuals tend to have a number of issues and barriers.
- Over the last 15 or so years, it has become more common to see these poor experiences being passed down the generations.
- Shifting money and staff to better target support, and at an earlier stage is known to help these families and also save money.
- There are many local examples of the impact of stigma, isolation and loneliness on people and families in Shetland. And there is an increasing body of research showing the negative impacts on physical and mental health.

Target resources to break negative cycles within families.

Build on one of Shetland's best assets; as individuals and as a community we must do all we can to reduce stigma and loneliness within our communities. In doing this we will reduce physical and mental illness.

Target resources to make sure actions to tackle drug and alcohol misuse are effective.

## **C. THE PLACES WE LIVE**

### Where We'd Like to Be in 2030

Communities are balanced and sustainable; where distance is not a barrier to opportunity and communities have sufficient people to be able to deliver the services required:

- Digital access does not become a barrier to being involved;
- Technology is used innovatively to reduce inequalities; and
- Local communities are valued, recognising that different places will have different needs and solutions; with services planned and delivered with communities, where possible.

### Why?

- Geography can exacerbate inequalities: for example, the median income tends to be lower in more remote areas of Shetland, whilst the cost of living is higher.
- Being able to access employment, services and opportunities are fundamental to reducing socio-economic inequalities in Shetland.
- The digitisation of service delivery, employment and society; without actions being taken now, it could become an additional barrier to participation.
- Digital and mobile access provides opportunities to reduce the need for travel, for example, to employment and services.
- Young people are concerned about the lack of mobile connectivity in Shetland.
- There are greater challenges for those living in more remote areas, but with sufficient assets (buildings, services and people), communities and individuals can thrive.
- Communities want to work with services, particularly at this time of dwindling public sector funding; linked to local implementation of the Community Empowerment Act and the shift towards more participatory budgeting.

Ensure broadband and mobile technologies are available throughout Shetland, and that individuals and families have the equipment and skills required to participate in the digital revolution.

Ensure services are planned and delivered, where possible, with communities.

## **D.      WAYS OF WORKING**

The Commission believes that one of their significant contributions is the evidence base developed to consider the recommendations.

Shetland, like all areas of the UK, is operating within an environment of diminishing public and 3<sup>rd</sup> sector resources, whilst at the same time, other national policies, such as welfare reforms, are widening inequalities. Drawing together information on inequalities in Shetland in 2015 provides an opportunity for services, service users and communities to use it to develop understanding; improve the targeting of resources available to ensure, at the very least, inequalities do not increase as austerity deepens; and seek to shift resources towards prevention of poorer outcomes.

### Where We'd Like to Be in 2030

- Shetland is committed to reducing inequalities, and resources available are used to achieve equity.
- National governments are aware of the differences in inequalities experienced in Shetland, compared to more urban geographies, and have taken appropriate remedial action.

Use the evidence to improve and broaden understanding of socio-economic inequalities in Shetland.

### Why?

- There is a need for greater understanding, at the national level, of rural socio-economic inequality, and for changes in policy and resource allocation.
- There is a need for greater understanding at the local level:
  - To enable services to target support to those who need it most, as budgets continue to reduce;
  - To enthuse communities to play a greater role in reducing inequalities and remove stigma.

Use the evidence to improve the targeting of resources and ensure inequalities do not widen as local financial resources diminish

### Why?

- To ensure socio-economic inequalities are not increased, despite a reduction in financial resources available.
- Current performance measures tend to focus on the 95-98% who are thriving.

More detailed information is provided at Appendix 4.

These recommendations are commended to the Shetland Partnership Board for their consideration. If adopted, the development of an action plan, capable of clearly measuring progress, should follow.

The Commission believes that, at a local level, we can use community planning and community planning processes to achieve significant improvements. However, the evidence also clearly shows, firstly, that national policies need to change if some aspects of inequality are to be properly tackled and, secondly, that the particular challenges Shetland faces justify an increase in the level of resources provided to the islands and their inhabitants by national governments.

The priorities to be achieved by community planning processes in Shetland are set out in the Local Outcomes Improvement Plan (LOIP), 2016/20. Accordingly, the development of these priorities has been dovetailed with the work of the Commission, to ensure that addressing inequalities drives priorities and future activity across Shetland's community planning partnership.

## APPENDIX 1: Terms of Reference & Commissioners

Shetland's Commission on Tackling Inequalities was established by Shetland Partnership Board to make an assessment of the nature, causes and impact of socio-economic inequalities in Shetland. They are tasked with making ambitious recommendations to the SPB that, if implemented, will reduce inequalities in Shetland and mitigate and minimise the negative impact of those inequalities. It is recognised that some of these can be achieved directly by local agencies, whilst others may require lobbying to improve national policy.

This will be achieved by drawing on published data and reports and inviting evidence from a range of agencies and communities within Shetland and beyond, as required.

Using this information, the Commission will highlight:

- Root cause(s) of socio-economic inequalities;

- The current barriers to reducing these and minimising their impacts;
- How these can be overcome, including consideration of the efforts that have already been made, locally, to understand the effectiveness and impact of activity, to deliver improved outcomes, to date.

The Commission will prepare a report for the Shetland Partnership Board that details the causes, impact and nature of socio-economic inequalities in Shetland and makes recommendations on the outcomes and priority actions required to make a direct impact on reducing inequalities in Shetland and mitigating negative impacts.

It is recognised that the outputs of the Commission will be of value to Our Islands, Our Future

### The Commissioners Invited to Participate by the Shetland Partnership Board



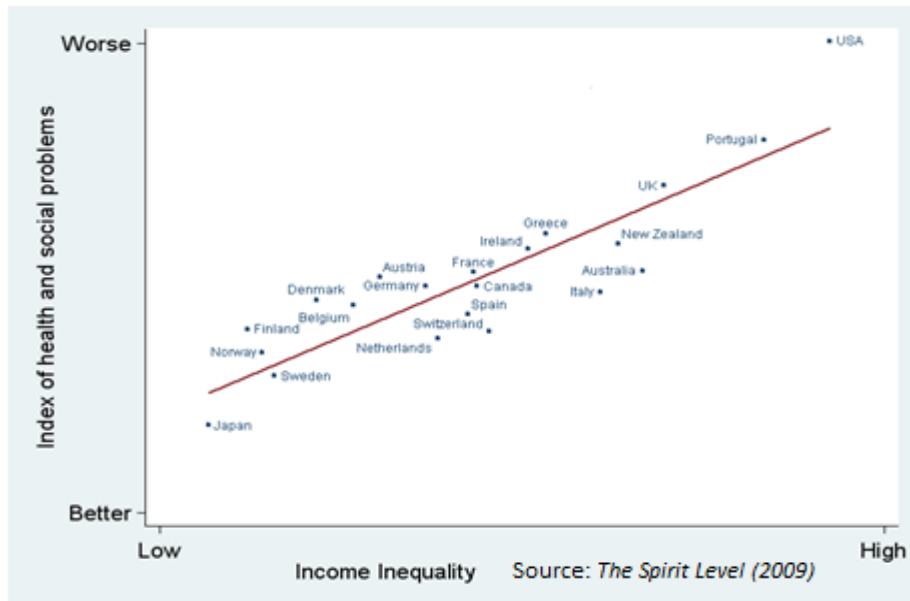
**Jim Anderson**  
**Kelvin Anderson**  
**Ann Black**  
**Alastair Cooper**  
**Andrew Cooper**  
**Bobby Hunter**  
**Rachel Hunter**  
**Christine Ferguson**  
**Kaylee Mouat**

**Valerie Nicolson**  
**Gary Robinson**  
**Sarah Taylor**  
**Catriona Waddington**  
**Marilyn Stewart**  
**Cecil Smith**  
**Ian Kinniburgh**  
**Alec Miller**  
**Alastair Hamilton**  
Independent Chair

**Carroll Buxton** Director of  
Regional Development HIE and  
Chair of HIE's Equalities  
Project Board  
**David O'Neill** Chair of COSLA  
**Shirley Laing** Deputy Director,  
Scottish Government  
(Housing, Regeneration and  
Welfare Directorate)

## APPENDIX 2: Evidence Base

### The Index Graph



### 2.1 Baseline Evidence

The first session of the Commission considered key evidence of socio-economic inequalities in Shetland.

#### 2.1.1 The Spirit Level<sup>97</sup>

This book puts forward the argument that, in developed countries, the more unequal a society, the poorer the outcomes for all those within that society.

A number of graphs support the evidence that more equal societies are better societies for the vast majority of populations, and that the health and social impacts on society are statistically sensitive to inequality. Data is examined for a number of health and social indicators, including maths and literacy, infant mortality, homicide, trust, obesity and mental illness (including substance misuse). All show a correlation between worsening health and social issues and income inequality.

The graph above brings all of this together and is known as the Index Graph. It shows that when all the health and social problems analysed in *The Spirit Level* are combined into an index there is a very strong relationship with income inequality. More unequal countries, such as the UK, tend to

score worse on all these indicators than more equal ones.

#### The Index Graph

The authors' data analysis demonstrates that there is a strong correlation between inequality at a national level and social outcomes: correlation is not causation but the relationship is very strong and all the problems move together (a society with high levels of one type of problem will almost always score badly on all the other indices even when they are quite obviously unrelated e.g. rates of obesity and rates of homicide). The data, therefore, suggests a single underlying cause outside of the separate health and social problems, which Wilkinson and Pickett determine to be inequality.

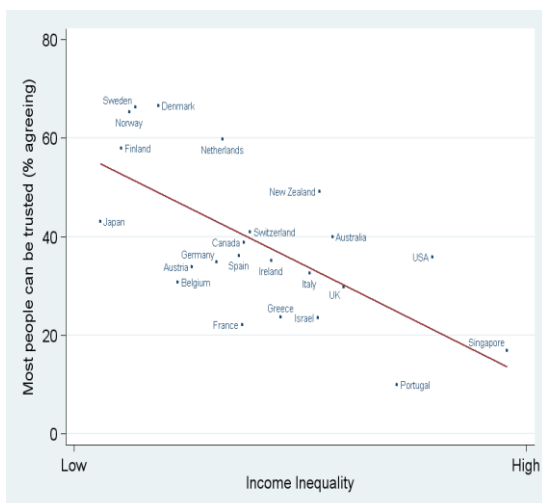
Their argument is that, as humans, we are sensitive to inequality because it gets under our skin. We are social animals who tend to see ourselves through other people's eyes. People who live in more unequal societies are more likely to have to consider their social position more often. Where there are great disparities in income within a society, social distances are increased and the overall quality of social relations is damaged. People are more likely to suffer from prolonged stress which leads to chronic ill-health and this can affect personal relationships. It can also be the trigger for

<sup>97</sup> Wilkinson, R.G. & Pickett, K. (2009) *The Spirit Level: Why More Equal Societies Almost Always Do Better*, London

violence if people feel disrespected or threatened by social comparisons.

*The Spirit Level* asserts that if we are to make our societies more equal and more sustainable we are all going to have to change the way we live; to gain acceptance for those changes, we are going to have to trust each other a lot more. The graph below demonstrates that 1 in 3 people in the UK currently think most other people can be trusted. The authors determine that in a less trusting society, it can seem as if everyone is pitched against one another or one section of society is often depicted as gaining at someone else's expense. On the other hand, they say that in a more equal society (e.g. Sweden where 2 in 3 people routinely trust other people) we would have far more chance to construct a consensus around what needed to be done to create the "Good Society", one that is healthy, socially better and more sustainable.

Levels of Trust



Source: *The Spirit Level* (2009)

### 2.1.2 Scottish Trends<sup>98</sup>

The following are some key trends for Scotland:

- Since the mid-1990s, the child poverty rate in Scotland has come down by a third, while the pensioner poverty rate has come down by nearly two-thirds. Working age poverty remains unchanged. In the last year, there has been an increase in working age and child poverty; as yet, it is too early to determine if

this is a trend, but may reflect changes to the welfare system;

- In the last 10 years, there has been an increase in the number of 16-29 year olds with a low income; there has been a decrease for all other age groups; and
- In Scotland, the top 10% of households have approximately 25% of household income.
- Of the 920,000 people in poverty (3 year average, 2012/13), 23% were children (210,000), 64% were working age adults (580,000) and 13% were pensioners (120,000).

### 2.1.3 Young People's Perceptions of Poverty<sup>99</sup>

The findings from 'It's not a choice' show that young people:

- Understand who is affected by poverty.
- Have a strong understanding of the causes of poverty.
- Do not believe that people are in poverty solely because of their choices, and are less likely to believe this is the case than the wider population.
- Strongly recognise and understand the emotional, social, and financial impacts of poverty among young people.
- Believe governments do not spend enough money tackling poverty.
- Display a lack of awareness about what governments are doing to tackle poverty among young people.
- Believe the solutions to poverty reside in increasing vocational education, paying the living wage, improving further and higher education, providing affordable childcare, and improving schools in deprived areas.
- Believe governments have a responsibility to protect the rights of children and young people.
- Believe the views of children and young people must be listened to by decision-makers when deciding how to tackle poverty.
- See poverty and the defence of their rights (or lack thereof) as being linked.

<sup>98</sup> Kenway, P., Bushe, S., Tinson, A., and Born, T. B. (2015) *Monitoring Poverty and Social Exclusion in Scotland, 2015*, York

<sup>99</sup> It's not a Choice: an analysis of young people's perceptions of poverty and rights  
[http://www.syp.org.uk/img/its\\_not\\_a\\_choice/its\\_not\\_a\\_choi ce\\_Final\\_Report.pdf](http://www.syp.org.uk/img/its_not_a_choice/its_not_a_choi ce_Final_Report.pdf)



Those young people living on their own rate the following as being the top five situations or experiences that cause young people to live in poverty:

- Leaving school without formal qualifications;
- Being a parent
- Having a relationship breakdown
- Being out of work
- Being in low paid work.

This compares to the top five responses for those participants living in a family:

- Being out of work
- Drug and Alcohol misuse
- Making poor choices about money
- Losing benefits unexpectedly
- The high cost of living.

#### 2.1.4 Shetland Compared to Scotland<sup>100</sup>

The Scottish Index of Multiple Deprivation (SIMD) is the Scottish Government's official tool for identifying those places in Scotland suffering from deprivation. It incorporates several different aspects of deprivation, combining them into a single index. It divides Scotland into 6,505 small areas, called datazones, each containing around 350 households. The Index provides a relative ranking for each datazone, from 1 (most deprived) to 6,505 (least deprived). By identifying small areas where there are concentrations of multiple deprivation, the SIMD can be used to target policies and resources at the geographic areas with greatest need.

The SIMD uses data relating to multiple aspects of life in order to gain the fullest possible picture of deprivation across Scotland. Seven different aspects are identified – the seven SIMD domains – and data from these domains are combined to produce the index.

The seven domains in SIMD, used to measure the multiple aspects of deprivation, are:

- Employment
- Income
- Health
- Education, Skills, and Training
- Geographic Access to Services
- Crime
- Housing.

As well as providing an overall rank for each datazone, the SIMD also provides a rank for each datazone within each of the seven domains. It is therefore possible to look at individual aspects of deprivation for each area, as well as the overall level of deprivation.

SIMD was first produced in 2004, and has been produced subsequently in 2006, 2009 and 2012. It is therefore possible to compare relative deprivation over time.

Key information of relevance to Shetland, based on SIMD 2012 data, is:

- The majority of Shetland's 30 datazones are in the middle to upper distribution across Scotland; the most deprived is Sandveien (2447) and the least deprived is the datazone covering Quarff, Gulberwick and Quoys, Lerwick.
- This distribution is similar across all domains, with the exception of access, where 22 (73.3%) of Shetland's 30 datazones are in the 15% most deprived datazones in Scotland.
- 6.6% of the Shetland population are income deprived, compared to 13.4% across Scotland. The datazone covering Sandveien is one of the 35% most income deprived in Scotland (2277).
- 6.6% of the Shetland population are employment deprived, compared to 12.8% across Scotland as a whole. The datazone covering Holmsgarth is one of the 45% most employment deprived in Scotland (2927).
- In terms of the remaining five domains, the most deprived datazones in Shetland are listed below:
  - Health: Grantfield is ranked 1433 (amongst 25% most health deprived);
  - Education: Holmsgarth is ranked 2605, with 3 datazones are in 45% most deprived;
  - Housing: Grantfield is ranked 1509;
  - Access: North Isles is ranked 12; and
  - Crime: Central Lerwick is ranked 784.

The Access Domain determines accessibility to certain services. As would be expected, 22 of Shetland's 30 datazones are in the 15% most deprived datazones for access.

<sup>100</sup> Scottish Index of Multiple Deprivation (2012): <http://www.gov.scot/Topics/Statistics/SIMD>

## Indicators in the SIMD 2012 domains including Shetland figures

Income	Access	Education	Housing	Crime	Employment	Health
<b>Shetland Context</b> - No of people Income Deprived (2012) – <b>Total 1475, (7%)</b> (Incorporates the following) Children dependent on a recipient of Income Support, or Employment and Support Allowance (2011) Adults receiving Jobseeker's Allowance (2011) Children dependent on a recipient of Jobseeker's Allowance (2011) Adults and children in Working Families Tax Credit households whose income is below 60% of median (i.e. below £198 per week) (2010) Adults (aged 60+) receiving Guarantee Pension Credit (2011) Adults receiving Income Support or Income-based Employment and Support Allowance (2011)	Drive time to a GP (2012) Drive time to retail centre (2012) Drive time to a primary school (2012) Drive time to a secondary school (2012) Drive time to a post office (2012) Drive time to a petrol station (2012) Public transport travel time to a post office (2012) Public transport travel time to a GP (2012) Public transport travel time to retail centre (2012)	<b>Shetland Context</b> - Pupil performance on SQA at stage 4 (2008/09-2010/11) – <b>Average 185</b> <b>Shetland Context</b> - School leavers aged 16-19 not in education (2009/10-2010/11), employment or training (2010 & 2011) – <b>Total 161</b> <b>Shetland Context</b> - 17-21 year olds enrolling into full-time higher education (2008/09-2010/11) <b>Shetland Context</b> - School pupil absences (2009/10-2010/11) – <b>Average 5.7 days</b> <b>Shetland Context</b> - Working age adults with no qualifications (2001) – <b>Total 2670</b>	Percentage of people living in households which are overcrowded (2001) Percentage of people living in households without central heating (2001)	<b>Shetland Context</b> – Total Crime count (2012) – <b>Total 418</b> (Incorporates the following) Crimes of violence (2010-11) Common assault (2010-11) Sexual offences (2010-11) Drugs offences (2010-11) Vandalism (2010-11) Domestic housebreaking (2010-11)	<b>Shetland Context</b> – Number of Employment Deprived – <b>Total 915, (7%)</b> (Incorporates the following) Working age Incapacity Benefit recipients or Employment and Support Allowance recipients (2011) Working age Severe Disablement Allowance recipients (2011) Working age unemployment claimant count averaged over 12 months (2011)	Standardised Mortality Ratio (2007-2010) Comparative illness factor (2011) Emergency stays in hospital (2007-2010) Estimated proportion of population being prescribed drugs for anxiety or depression or psychosis (2010) Proportion of live singleton births of low birth weight (2006-2009) Hospital stays related to alcohol misuse (2007-2010) Hospital stays related to drug misuse (2007-2010)

It is important to note that SIMD provides a geographic distribution of relative deprivation across Scotland, capable of identifying spatial concentrations of deprivation on the scale of datazones. However in Shetland, where deprived individuals are spatially distributed and circumstances of deprivation have more to do with an individual's characteristics than the area within which they live, the SIMD is unable to provide an accurate measure or adequate understanding of deprivation. For example:

- The spatial scale of datazones is too blunt and indicators chosen to make up the index are less sensitive to the characteristics of deprivation and social exclusion found in Shetland;
- The SIMD is unable to consider the complex issues that have to be overcome when tackling deprivation and social exclusion in remote rural areas and the thematic nature of deprivation in remote areas.

Nevertheless, the Access Domain is useful in highlighting travel time to key services. But the SIMD should be used with care in relation to

determining policy and the distribution of resources, as it is not designed to measure the manifestation of deprivation experienced in Shetland and other remote areas of Scotland<sup>101</sup>.

### 2.1.5 Deprivation and Social Exclusion in Shetland<sup>102</sup>

Shetland is characterised by a different geography and way of life from most of the UK. It is one of the most remote areas in the country, with some islands and parts of the mainland particularly remote; it has strong local cultural roots; and a generally high standard of living. Therefore deprivation and social exclusion manifest in different ways from elsewhere in the UK.

Living in difficult circumstances is no better in Shetland than in any other part of the country:

<sup>101</sup> Research into Deprivation and Social Exclusion in Shetland (2006)  
<http://www.shetland.gov.uk/communityplanning/documents/Dep.andsocialexclusionexecsummary-eperring.pdf>

<sup>102</sup> Research into Deprivation and Social Exclusion in Shetland (2006)  
<http://www.shetland.gov.uk/communityplanning/documents/Dep.andsocialexclusionexecsummary-eperring.pdf>

the day-to-day existence for individuals and households struggling to afford to eat and pay for other essentials is the same. Indeed, the culture of self-reliance and the high standard of living, enjoyed by many, forces less fortunate people to keep their circumstances hidden. It can be particularly isolating and demoralising when people can see others around them enjoying these living standards and high quality infrastructure. There is little opportunity for social contact and support from others experiencing a similar situation.

There are higher numbers of deprived individuals dispersed in the more remote areas of Shetland, and there are spatial pockets within concentrations of local authority housing. Nevertheless, deprived individuals and households are fairly evenly distributed throughout Shetland.

These research findings highlighted inequalities in Shetland as affecting:

- Those households on a low income, particularly those who are socially isolated and may be keeping their circumstances hidden;
- Individuals and households who are unable to access employment and social opportunities, particularly young people, older people and families with young children;
- Those with a long-term illness or disability and their carers, if they are lacking support; and
- Some ethnic minority groups.

#### 2.1.6 Poverty is Bad – Let’s Fix It!!<sup>103</sup>

This research revisited the 2006 research (see above), and aimed to enhance Shetland’s thinking and understanding of the issues, and in particular to explore young people’s perceptions and experiences of poverty, social exclusion and inequality. It provided the following key messages:

- Young people feel the lack of, and expense of, transport prevents them from accessing opportunities, which leads to seeking excitement through alcohol and drugs.
- Young people feel the lack of transportation and its cost are factors leading to isolation,

which can cause mental health and substance abuse issues.

- Young people in Shetland find it hard to be an individual due to peer pressure and adult judgement.
- Stigmatisation and labeling due to the ‘Shetland Grapevine’ have very negative impacts on young people.
- Young people feel there are limited career choices in Shetland.
- Shetlanders are not aware of poverty on the islands.
- Young people are not aware of support services.

#### 2.1.7 Minimum Income Standard for Remote Rural Scotland<sup>104</sup>

This research calculated how much it costs for people to live at a minimum acceptable standard in remote rural Scotland. It builds on research elsewhere in the UK on the Minimum Income Standard (MIS), which is based on the minimum budgets required by various types of household.

At the core of the research were 24 groups of residents in different parts of remote rural Scotland deliberating in detail over what items households in their communities need as a minimum. Each group considered what things a household has to be able to afford for a minimum, defined as follows:

‘A minimum standard of living in Britain today includes, but is more than just, food, clothes and shelter. It is about having what you need in order to have the opportunities and choices necessary to participate in society.’

This was supported where relevant by expert knowledge, for example on nutritional and heating standards. The baskets of goods and services identified by the groups were carefully costed by the researchers at retail outlets and other suppliers identified as appropriate by the groups.

#### Key Findings:

- For the most part, people in remote rural Scotland have similar ideas about what constitutes a minimum acceptable living

<sup>103</sup> Poverty is Bad – Let’s Fix It!! (2011): [http://www.shetland.gov.uk/youth\\_services/documents/Shetland20Report0Final20Draft.pdf](http://www.shetland.gov.uk/youth_services/documents/Shetland20Report0Final20Draft.pdf)

<sup>104</sup> Minimum Income Standard (2013): <http://www.hie.co.uk/regional-information/economic-reports-and-research/archive/a-minimum-income-standard-for-remote-rural-scotland.html>

standard as people elsewhere in the UK. However, in some cases the ways of achieving it are somewhat different and, in many cases living in remote rural Scotland makes the basket more expensive.

- The budgets that households need to achieve a minimum acceptable living standard in remote rural Scotland typically are 10-40 per cent higher than elsewhere in the UK.
- These premiums are most modest for pensioners and greatest for single people and families supporting children.
- For households living in the most remote island locations, too far from towns to make regular shopping trips, and those relying on heating oil in older homes, additional costs can be even greater than 40 per cent.
- The three principal sources of this premium:
  - The higher prices that households must pay for food, clothes and household goods;
  - Much higher household fuel bills, influenced by climate and fuel sources;
  - The longer distances that people have to travel routinely, particularly to work.
- The influence of these three factors varies considerably by household type. For singles, the most important factor is the cost of a long commute, which is particularly high relative to the budget for a single person. For pensioners, it is a combination of higher household fuel bills and having to buy many goods locally or by mail order. These differences reflect the different costs incurred by more and less mobile households.

These costs make it much harder for people on modest incomes to make ends meet.

#### 2.1.8 Young People in Shetland: Attitudes and Aspirations<sup>105</sup>

This research was undertaken with 15-29 year olds across the Highlands and Islands in early 2015. The results are available at a local level; the attitudes and aspirations of young people in Shetland can be compared with those living elsewhere in the Highlands and Islands. The key findings are:

- Young people in Shetland are very positive about the place and there are extremely high levels of pride in local communities.
- 55% of young people in Shetland are committed stayers (live in Shetland and planning to continue to live and work in Shetland), above the 43% regional average. This compares to 24% who are committed leavers (live in Shetland but plan to live and work elsewhere), well below the regional average of 40%. Young people living outwith Lerwick are more likely to be committed leavers than those living in Lerwick.
- The main reasons young people think others stay is because of a strong commitment to the local area, valuing the quality of life and lucky to be able to do so. This is higher than the regional average.
- There are felt to be good employment opportunities, and opportunities to progress in Shetland are greater than elsewhere in the region. However, young people think that the employment base is narrow, with limited diversity of employment, so that those wishing to stay to work must do so in existing key sectors. Other significant issues for young Shetlanders are:
  - Cost of living, particularly the cost and availability of housing and the cost of travel to and from the islands;
  - Poor mobile connectivity.

The report recommends a continued broadening of the employment base and of barriers to living learning and working in Shetland (in particular the costs of doing so).

<sup>105</sup> Young People in Shetland: Attitudes and Aspirations (2015): <http://www.hie.co.uk/regional-information/economic-reports-and-research/archive/young-people-and-the-highlands-and-islands--attitudes-and-aspirations-research.html>

## 2.2 Household Finances

The next session heard specific evidence about the challenges faced by households in Shetland on a low income.

### Introduction

The money available to a household is influenced by the money coming in (income) and the money going out (expenditure). Therefore the evidence explored focused on:

- Household Incomes in Shetland, and comparisons to elsewhere;
- Cost of living in Shetland, with comparisons to elsewhere;
- The Benefits System and its impacts;
- The growing issue of in-work poverty;
- The impacts of living with a low income, including Food Poverty and debt.

## Evidence

### 2.2.1 Household Income in Shetland

Local authorities have access to data on the income bands of households (£5,000 bands) by postcode. The data can be used to calculate the income of deciles of the population (2014 data)<sup>106</sup>:

- 10% of households in Shetland have an income of £9,175.49 or less, and 20% of households have an income of £13,564.13 or less.
- Shetland's mean income was £33,934 in 2014. Shetland's median household income was £28,068 in 2014; compared to £24,236 in Orkney, £24,159 in Western Isles, £34,362 in Aberdeenshire, £26,992 in Scotland and £28,621 in the UK (CACI, 2014).

### Household Income Comparisons by Local Authority, Scotland and UK, 2014 Data

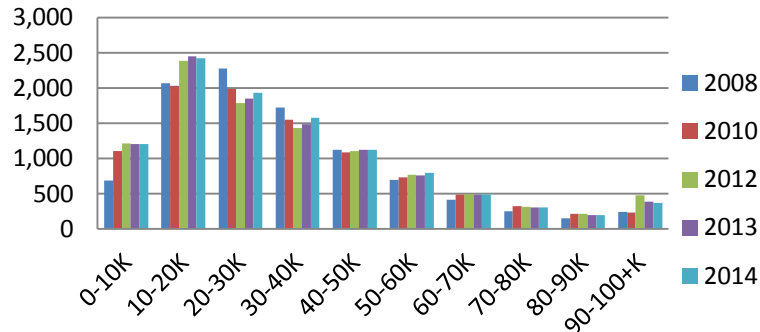
Locality	Lived in Property	Considered Low Income	% Considered Low Income	Social Rented	Considered Low Income	% Considered Low Income
West	735	80	11%	110	43	39%
South	1693	135	8%	231	72	31%
North Mainland	1411	167	12%	360	109	30%
North Isles	1217	166	14%	224	84	38%
Lerwick & Bressay	3426	623	18%	1295	559	43%
Central Mainland	1694	85	5%	300	45	15%
<b>TOTAL</b>		<b>1256</b>	<b>12%</b>	<b>2520</b>	<b>912</b>	<b>36%</b>

Source: CACI (2014)

<sup>106</sup> CACI, 2014: the Core Postcode Directory provides estimates of mean and standard deviation of gross household income for every postcode in the UK, together with a banding of these mean incomes which can be used for profiling or classifying postcodes

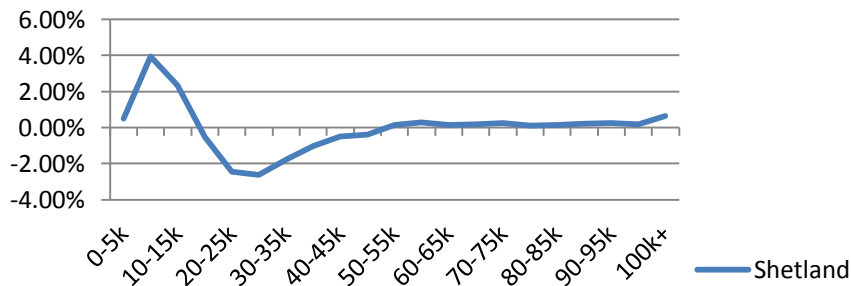
The following graphs demonstrate the shift in household income in Shetland between 2008 and 2014. There has been little change in the percentage of households with an overall income of £45,000 or more a year, but there has been a 2-3% shift in the number of households within, for example income bands £20,000-£30,000 to lower household incomes.

#### Household Income Comparisons by £10,000 Income Bracket, Shetland, 2008 to 2014



Source: CACI, 2008 to 2014

#### Proportional Difference in Banding by £5,000 Bands, Shetland, 2008 to 2014



Source: CACI, 2008 to 2014

Housing Benefit and Council Tax Benefit claimants can be used as a proxy for low-income households (SIC, 2015). 12% of households in Shetland currently claim some amount of these benefits. The table below provides an illustration, for Shetland and for areas of Shetland.

#### Housing Benefit and Council Tax Benefit Update, 2015 Data

Locality	Lived in Property	Considered Low Income	% Considered Low Income	Social Rented	Considered Low Income	% Considered Low Income
West	735	80	11%	110	43	39%
South	1693	135	8%	231	72	31%
North Mainland	1411	167	12%	360	109	30%
North Isles	1217	166	14%	224	84	38%
Lerwick & Bressay	3426	623	18%	1295	559	43%
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<b>TOTAL</b>	<b>11010</b>	<b>1256</b>	<b>12%</b>	<b>2520</b>	<b>912</b>	<b>36%</b>

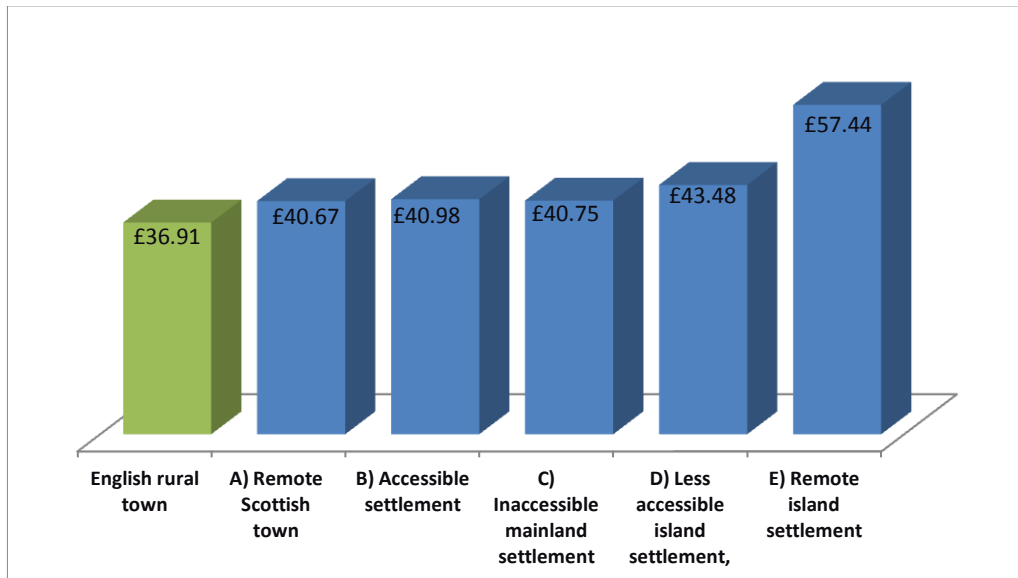
Source: SIC, 2015



### 2.2.2 Cost of Living in Shetland<sup>107</sup>

The Minimum Income Standard for Remote Rural Scotland showed that on average it costs 10-40% more to have an acceptable standard of living in Remote Rural Scotland compared to an English Rural Town. The graph below sets out the cost of an average weekly food basket.

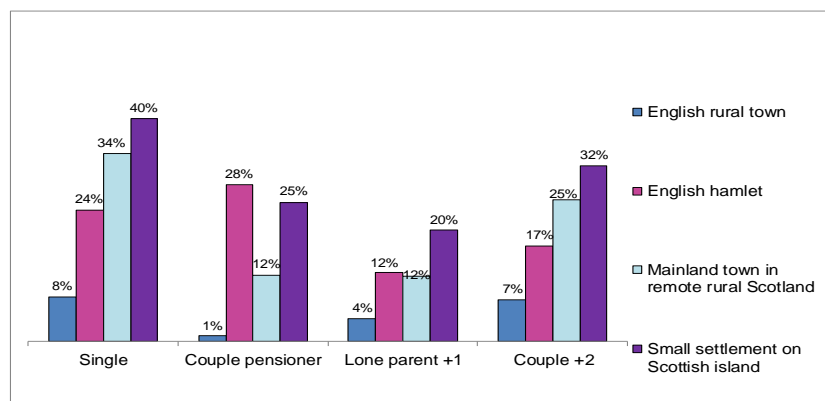
**Weekly Food Basket, by Area Type**



Source: Minimum Income Standard for Remote Rural Scotland, 2013

- The premiums are most modest for pensioners and greatest for single people and families supporting children (see graph below)<sup>108</sup>.
- On an average wage, it is possible to live adequately in remote rural Scotland.

**Additional Costs Compared to Urban UK Households**



Source: Minimum Income Standard for Remote Rural Scotland, 2013

<sup>107</sup> Minimum Income Standard (2013): <http://www.hie.co.uk/regional-information/economic-reports-and-research/archive/a-minimum-income-standard-for-remote-rural-scotland.html>

<sup>108</sup> This was highlighted by those employed at the Bike Project in relation to the cost of mail order goods (2016).



Specifically for Shetland:

- For a single person living in a Northern Isles town, such as Lerwick, their weekly budget is 33.3% higher than for an equivalent person living in urban UK and 23.4% higher than for a person living in an English rural town;
- For a single person living remotely from a town in the Northern Isles, such as Hillswick, their weekly budget is 74.1% higher, and 40.8% higher for their urban and rural England counterpart;
- For a pensioner couple living in a Northern Isles town their weekly budget is 26% and 24.8% higher than their urban and rural England counterparts; and 40.6% and 9.6% for those remote from town;
- For a lone parent with one child living in a Northern Isles town, their weekly budget is 17.3% and 12.5% higher than their urban and rural England counterparts; and 35.5% and 20.5% for those remote from town;
- For a couple with a primary and pre-school child living in a Northern Isles town, their weekly budget is 28.9% and 20.0% higher than their urban and rural England counterparts; and 66.1% and 41.9% for those remote from town.

### 2.2.3 The Benefit System and the Impact of Changes<sup>109</sup>

The system is complex; many households eligible receive a 'basket' of different benefits:

- In 2013/14 the UK Government spent £251bn on welfare (37% of all government spending). Of this, 15% was spent on 'Incapacity, disability and illness benefits' (£37,537m), 2% on 'Unemployment benefits' (£4,945m), 11% on 'Housing benefits', and 42% on 'Pensions (state and public service)<sup>110</sup>. The inclusion of state pensions and, particularly, civil service pensions within the Government's definition of 'welfare' has been questioned by, among others, the Institute for Fiscal Studies<sup>111</sup>.

<sup>109</sup> Shetland Islands Citizen's Advice Bureau (2014/15): <http://www.cas.org.uk/bureaux/shetland-islands-citizens-advice-bureau>

<sup>110</sup> ONS: <http://www.ons.gov.uk/ons/index.html>

<sup>111</sup> <http://www.theguardian.com/politics/2014/nov/04/welfare-tax-statements-prime-minister-pension>

- National benefit level increases have not kept up with increases in the cost of living: there has been a 1% cap from 2013 and 4 year freeze from 2016. It is flat rate, across the UK, not taking account of the higher cost of living in some areas, including the Highlands and Islands. For example: for a single person living in a remote island settlement, it is calculated that Income Support provides 28% of the income required to have an acceptable standard of living.

### Examples of Benefit Payments / Minimum and Living Wage (2015)<sup>112</sup>

JSA, income-based: 18-24 25+	£57.90 £73.10
ESA: Work-related (WRAG) Support group	£102.15 £109.30
State Pension	£115.95 (Max)
Pension Credit: Single Couple	£151.20 £230.85 (Tops up Weekly Income to this)
Minimum Wage, 37 hours: Apprentice Under 18 18-20 21+	£122.10 £143.19 £196.10 £247.90
Living Wage, 37 hours	£305.25

Universal Credit is being introduced by the UK Government, removing the limit to the number of hours a person can work, and tapering benefits down as their earnings increase. It brings together a number of existing benefits to streamline the system.

The known and likely impacts of Universal Credit include:

- Potential to lead to or exacerbate cycles of indebtedness because it makes it more difficult to budget and can lead to housing arrears. Since implementation of Universal Credit in Shetland, data suggests rent arrears have increased<sup>113</sup>.
- Applications and job-seeking for individuals is challenging for those individuals without the hardware, skills or ability to do this. Sanctions can be applied.

<sup>112</sup> Source: UK Government (<https://www.gov.uk>) / Living Wage Foundation (<http://www.livingwage.org.uk>), excludes Housing Benefit for those that are eligible

<sup>113</sup> Shetland Islands Council and Hjlattland Housing Association

- Errors in processing, delays in processing and misleading information, all make it more challenging for individuals.

Transition from Disability Living Allowance to Personal Independence Payment:

- Delays to the assessment process and the assessments themselves can cause stress and financial hardship to individuals;
- Designed to reduce the number of claimants across the UK by 0.5m.

## 2.2.4 In-Work Poverty<sup>114</sup>

Work is not a guaranteed route out of poverty: the majority of working-age adults in poverty in Scotland are living in working households (52%)<sup>115</sup>. Between 2007 and 2012, of those aged 18 to 59 who were in income poverty, but then entered employment, 70% moved out of poverty. The other 30% remained in poverty, despite entering employment<sup>116</sup>.

Groups who are particularly vulnerable are:

- Those with additional barriers to getting (full time) work, such as disabled people, lone parents and carers<sup>117</sup>;
- Young people, who are not eligible for minimum wage increase<sup>118</sup>;
  - There were 9,000 jobs held by 16 to 17-year-olds (2.7% of jobs in this age group) with pay less than the National Minimum Wage (NMW);
  - For 18 to 20-year-olds, there were 31,000 jobs (2.9% of jobs in this age group) with pay less than the NMW;
  - For employees aged 21 and over, there were 196,000 jobs (0.8% of jobs in this age group) with pay less than the NMW.

<sup>114</sup> Shetland Islands Citizen's Advice Bureau (2014/15):

<http://www.cas.org.uk/bureaux/shetland-islands-citizens-advice-bureau>

<sup>115</sup> Scottish Poverty Statistics Summary Briefing, December 2014 – Scottish Government Communities Analytical Services <http://www.gov.scot/Topics/Statistics/Browse/Social-Welfare/IncomePoverty/povertybrief>

<sup>116</sup> ONS (2015) <http://www.ons.gov.uk/ons/rel/household-income/poverty-and-employment-transitions-in-the-uk-and-eu/2007-2012/sty-how-effective-is-getting-a-job-in-helping-people-leave-poverty-.html>

<sup>117</sup> ONS (2015) <http://www.ons.gov.uk/ons/rel/household-income/poverty-and-employment-transitions-in-the-uk-and-eu/2007-2012/sty-how-effective-is-getting-a-job-in-helping-people-leave-poverty-.html>

<sup>118</sup> ONS (2014) Low Pay [http://www.ons.gov.uk/ons/dcp171778\\_385432.pdf](http://www.ons.gov.uk/ons/dcp171778_385432.pdf)

- Self employed people on low incomes, as Universal Credit assumes they are earning for 35 hours a week at the minimum wage, which may not be the case, or possible for vulnerable groups<sup>119</sup>.

In-Work Poverty is caused by<sup>120</sup>:

- Low wages (according to research by the Resolution Foundation, around 1.2 million workers in the UK are paid the National Minimum Wage, or within 5 pence of it. A further 1.4 million workers earn no more than 50 pence more than the Minimum Wage);
- High cost of living (which the MIS evidences is 10-40% higher in Shetland);
- High cost of working, such as childcare and travel to work;
- Lack of childcare;
- Zero Hours contracts, with knock on impacts of debt due to budgeting difficulties due to fluctuating incomes (ONS estimates indicate that the number of zero hours contracts in the UK has increased to 1.8 million);
- Part-time working;
- Gaps in in-work benefits: for example, to be eligible for Jobseeker's Allowance (JSA) an individual must work less than 16 hours, and to be eligible for Working Tax Credit a claimant must work more than 30 hours a week (more than 24 hours a week for couples with children). If a person works between 16 and 24 hours, and those hours fluctuate, it is likely that their income will be very low, potentially lower than those in receipt of out of work benefits.
- Cuts to tax credits: by April 2014, the number of in work families in Scotland receiving in-work tax credit support had reduced by 97,300 compared to two years previously (a reduction of 27% in the number of families)<sup>121</sup>.

<sup>119</sup>

[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/432807/uc-and-self-employment-june15.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/432807/uc-and-self-employment-june15.pdf)

<sup>120</sup> Citizen Advice Scotland, An End to In-Work Poverty (2015):

<http://www.cas.org.uk/system/files/publications/In%20Work%20Poverty%20briefing%20-%20Scottish%20Parliament.pdf>

<sup>121</sup> Scottish Government (March 2015): The Cumulative Impact of Welfare Reform on Households in Scotland [http://www.scottish.parliament.uk/S4\\_Welfare\\_Reform\\_Committee/Reports/wrr-15-01w.pdf](http://www.scottish.parliament.uk/S4_Welfare_Reform_Committee/Reports/wrr-15-01w.pdf)

Levels of In-Work Poverty in Shetland are currently best indicated by the numbers on means-tested in-work benefits (Child Tax Credit (CTC)<sup>122</sup> and Working Tax Credit (WTC)<sup>123</sup> for 2013/14):

- 600 families with children are receiving benefits, of which 300 are lone parents;
- 100 families without children are receiving these benefits<sup>124</sup>.

However, despite being a good indicator, tax credits do not mean a household is living in relative poverty. The data are relatively blunt (i.e. figures are low and provided to the nearest 100) and there are additional gaps in local knowledge, such as the number of individuals or households:

- On Minimum Wage or below;
- Below Living Wage;
- Below Minimum Income Standard; and
- On Zero Hours contracts.

#### 2.2.5 Debt and Money Management<sup>125</sup>

Support with issues of debt is the most common request for advice from CAB in Shetland. 30% of issues dealt with in 2014/15 were debt issues (4,007), and CAB predict an increase as a result of welfare reforms.

<sup>122</sup> CTC brings together income-related support for children and for qualifying young people aged 16-19 who are in full time non-advanced education or approved training into a single tax credit, payable to the main carer. Families can claim whether or not the adults are in-work.

<sup>123</sup> WTC provides in-work support for people on low incomes, with or without children. A family will normally be eligible for WTC if it contains one of the following:

- a single person who is responsible for a child or young person and works at least 16 hours a week;
- a couple who are responsible for a child or young person, and who jointly work 24 hours or more per week (NB. one adult must be working at least 16 hours);
- a person who is receiving or has recently received a qualifying sickness or disability related benefit and has a disability that puts them at a disadvantage of getting a job, and who works at least 16 hours per week; or,
- a person is aged 60 or over and works at least 16 hours per week.

If none of the above applies, then a person will still be eligible for WTC if they are aged 25 and over and work 30 hours or more a week.

<sup>124</sup> HMRC (2015):

<https://www.gov.uk/government/statistics/personal-tax-credits-finalised-award-statistics-geographical-statistics-2013-to-2014>

<sup>125</sup> Shetland Islands Citizen's Advice Bureau (2014/15):

<http://www.cas.org.uk/bureaux/shetland-islands-citizens-advice-bureau>

Between 1<sup>st</sup> April 2014 and 31<sup>st</sup> March 2015, CAB debt advisers dealt with over £1.64mn of debt, at an average of £6,434 per case. And the number of debt cases dealt with has increased over the last 3 years for 60 cases in 2012/13 to 255 in 2014/15<sup>126</sup>.

The total Shetland debt evidenced in CAS Bureau Characteristics Surveys was:

2012/13 total debt: £1,229,838

2013/14 total debt: £1,588,588

2014/15 total debt: £1,640,819

There is no stereotypical debt client:

- 33% fully employed (may be short-term, temporary contracts, zero-hours, minimum wage);
- 38% not in work (on benefits);
- Nearly 25% are on an income of £6,000 or less a year and 80% earn less than £20,000;
- 47% have health issues; and
- 65% rent their home.

Reasons for debt are varied, but generally result from a major change in someone's life, such as relationship breakdown, employment issues, having children, retirement, illness. The impacts of debt on an individual and household include mental and physical health issues, isolation, work absences, impact on relationships.

#### 2.2.6 Food Poverty<sup>127</sup>

Food Poverty is increasing in Shetland, reflected by recent increases in demand for food parcels. Many people cannot afford to eat, usually as the result of a short-term crisis, or cannot afford to eat enough healthy food on an ongoing basis.

The increase in demand for food parcels over the past five years has been significant, from 38 parcels per year to 178 per year (or 8 parcels per month to 29 per month). Food parcels tend to be required when a household has an unexpected, often unplanned for, increase, in expenditure (such as a need to replace white goods, birthdays, fuel) or a reduction in income (through illness, retirement, for example), and they do not have the safety net of savings or networks to support them at the time. Recent increases are attributed

<sup>126</sup> CAS Bureau Characteristics Survey (NB: in part these figures are dependent on the capacity of staff)

<sup>127</sup> Salvation Army, Lerwick (2015)

to the introduction of Universal Credit in Shetland, such as delays in receiving funds.

In Shetland, this situation will be exacerbated by the cost of essential items, including fuel, and the cost of travel in more remote areas or to travel to the Mainland.

For those on a low income, it is particularly difficult to afford to eat healthily: for example on a recent shopping exercise the cost of five fruit and vegetables a day for a family of four was costed. Items purchased included apples, bananas, carrots, cabbage, onions, peppers, frozen corn and peas and fruit juice. It came to £22.98 and £26.31 in each of the supermarkets; approximately a third of the weekly income of a single person on JSA. This compares to a few pounds for 24 packets of crisps.

### 2.2.7 Funerals<sup>128</sup>

Evidence suggests that the cost of funerals and the number of households accessing support from CAB in Scotland has increased (27% in 2013/14), with just over one case every day regarding the costs of funerals.

There is a duty on every authority 'to cause to be buried or cremated the body of any person who has died or been found dead in their area, where no suitable arrangements for the disposal of the body have been or are being made otherwise than by the authority'. The authority would seek to recover the costs from the estate.

Shetland is one of the local authorities with the least expensive lair cost and internment fee, but a typical funeral can exceed £3,000<sup>129</sup>.

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<sup>128</sup> Citizens Advice Scotland (2014):

<http://www.cas.org.uk/publications/real-deal-funeral-costs>

<sup>129</sup> Local knowledge

## 2.3 Fuel Poverty

The next session heard evidence about the entrenched issue of Fuel Poverty. Due to the influence of regional and national policy in this area, it provided an opportunity to explore the impact of policy on socio-economic inequalities in Shetland.

### Introduction

The definition of Fuel Poverty, used by UK and Scottish Governments, is a household spending more than 10% of its income on heating costs. Therefore three factors influence Fuel Poverty:

- Household Income,
- Cost of Fuel and
- Property Condition (which includes education and householder behaviours).

As a result, many potential measures to reduce Fuel Poverty are not within local control. For example: between 2010 and 2013 the 'big six' energy suppliers increased energy prices by 37%. Nationally, every time energy prices increase by 5% a further 2% of households will be pushed into fuel poverty<sup>130</sup>.

Evidence enabled exploration of:

- The extent to which the Shetland authorities can directly influence levels of Fuel Poverty and
- Those areas that are not within Shetland's direct control or influence, in which it is necessary to assemble evidence and develop understanding, with a view to making Government and other partners fully aware of the issues and impacts.

Evidence also highlighted the households that are most vulnerable and the individual and household impacts of Fuel Poverty.

## Evidence

### 2.3.1 Levels of Fuel Poverty in Shetland

The Scottish House Condition Survey, 2011/2013<sup>131</sup> determines:

- 43% households in Shetland are in Fuel Poverty (4644 homes) and over 13% are living in extreme Fuel Poverty (over 20% of income required to meet fuel costs);
  - In central areas this tends to be because of low incomes and / or under-occupancy;
  - In rural areas this tends to be because of low incomes and / or poor housing standards.
- Of these households, a slightly higher proportion of households live in private housing and private-rented housing, compared to social housing. These households tend to be in the more remote areas of Shetland and areas of Lerwick.
- 68% of pensioner households are in Fuel Poverty, compared to 24% of families and 23% of single adults or couple households.
- Fuel Poverty levels compare favourably with Orkney (58%) and the Western Isles (62%), predominantly because of Shetland's relatively higher average wage.
- Current Fuel Poverty statistics are assumed to be an under-estimate as people choose not to heat their homes to save money<sup>132</sup>.

### 2.3.2 The Deficit between National Measures and Schemes and the Shetland Reality

In recent years, due to feedback from Shetland and other remote rural authorities, there have been improvements in the delivery of some nationally developed and funded schemes. However, challenges remain, including:

<sup>131</sup> Scottish House Condition Survey (2011/13): <http://www.gov.scot/Publications/2015/12/8460/0>  
NB: The data for 2012/14 shows a 10% increase, to 53% of households in Fuel Poverty (compared to 62% in Western Isles and Orkney), published 2<sup>nd</sup> February 2016.

<sup>132</sup> To establish a more robust understanding of levels of Fuel Poverty in Shetland, Shetland Islands Council is currently undertaking a household Fuel Poverty survey, similar to survey's recently undertaken in the Western Isles, and Orkney. For example, the Western Isles state that Fuel Poverty is over 70%.

<sup>130</sup> Scottish Fuel Poverty Statement (2012): <http://www.gov.scot/Publications/2015/01/2420>



- Many measures are driven by the carbon reduction agenda, rather than fuel poverty (e.g. ECO) resulting in confusion;
- Energy efficiency measures, such as additional insulation and air-tightness may increase warmth and reduce energy consumption, but can lead to increased dampness, mould and condensation as a result of reduced ventilation, exacerbated by Shetland's climate;
- The measures tend to be more suited to large firms installing measures in a large number of similar properties in an area (e.g. an insulation scheme), resulting in Shetland not being able to take up opportunities or not being provided with the additional funding required for the distances involved and mix of properties within an area;
- The measures do not make provision for the additional costs of improvements required in Shetland, where construction costs are higher and properties can be a complex mix of styles (e.g. HEPSABS, the Scottish Government's current programme for reducing fuel poverty, provides a maximum grant of between £7,500 and £9,000; it's been estimated that an average property in Shetland requires £20,000 of works to be lifted to a high level of energy efficiency)<sup>133</sup>; and
- The policies and measures make up a complex landscape, with little scope to blend different funding streams to meet the needs of individual households.

### 2.3.3 Local Context

Shetland's location, historic building context and economy provide their own unique challenges:

- The high cost of living in Shetland, particularly for essential items, of which fuel costs play a key part. This is exacerbated by both the higher energy tariff levied in the Highlands and Islands and the lack of cheaper alternative heating sources, such as mains gas<sup>134</sup>. For example:
  - A household in social housing in an English rural town is estimated to pay

£12.36 / week on their fuel bill. This compares to:

- £22.99 in a Northern Isles Town;
- £35.13 in a Northern Isles Settlement (£43.50 in private rented) (MIS, 2013).
- The level of national benefits in Shetland is not sufficient to cover a householder's necessities, including fuel<sup>135</sup>.
- Many of those in need do not specify Fuel Poverty as a problem, as they believe there is nothing that can be done about it (CAB).
- A third of respondents struggle to pay their fuel bills, with 61% using a credit card at some point, to pay<sup>136</sup>.
- 46% of respondents had rooms unheated due to fuel costs; 56% had to cut back on essentials (such as food and children's clothes and shoes) to pay for fuel<sup>137</sup>.
- It costs more to pay for electricity using card meter, but it can be the safest way to manage fuel bills for those on a low income. But it 'disguises' disconnections as people cut their own electricity supply if they have no money for the meter<sup>138</sup>.
- Shetland's climate, in particular the lower average temperature and wind-chill, means householders need to have heating on for a higher proportion of the year than elsewhere in the UK. It is estimated that Shetland households need to use twice the national average of energy per home (SEE). These factors are not taken into account when allocating Cold Weather Payments, for example.

<sup>135</sup> Minimum Income Standard (2013):

<http://www.hie.co.uk/regional-information/economic-reports-and-research/archive/a-minimum-income-standard-for-remote-rural-scotland.html>

<sup>136</sup> CAS (2013):

<http://www.cas.org.uk/system/files/Fuel%20Bills%20Survey%20Report.pdf>

<sup>137</sup> This was also highlighted as an issue in the Research into Deprivation and Social Exclusion in Shetland (2006): <http://www.shetland.gov.uk/communityplanning/documents/Dep.andsocialexclusionexecsummary-eperring.pdf>

<sup>138</sup> This was also highlighted as an issue in the Research into Deprivation and Social Exclusion in Shetland (2006): <http://www.shetland.gov.uk/communityplanning/documents/Dep.andsocialexclusionexecsummary-eperring.pdf>

<sup>133</sup> Carbon Management Team, SIC (2015)

<sup>134</sup> Minimum Income Standard (2013):

<http://www.hie.co.uk/regional-information/economic-reports-and-research/archive/a-minimum-income-standard-for-remote-rural-scotland.html>



- Properties may not be readily retrofitted because of the lack of repair to the current property. And there is no current funding source available to householders (as a grant or loan) to make the necessary improvements (SIC Carbon Management Team).
- The paperwork and costs involved with accreditation makes it challenging for small firms (SIC Carbon Management Team).
- Culturally, households in Shetland tend not to down-size as family leaves home, as people wish to keep their local community connections and their homes may be tied to their croft. This results in under-occupancy. In part, this can be attributed to a lack of smaller properties within communities.
- Barriers to switching supplier, including limited tariff options and complications in doing so<sup>139</sup>.

In addition, private housing, including private-rented homes, have been exempt from specific energy standards applied to social housing landlords, resulting in disparity between private and social housing in the energy efficiency and therefore energy costs required to heat a home adequately.

#### 2.3.4 Households most at risk<sup>140</sup>

Local expertise determines that the following households are most at risk from fuel poverty and the impacts of Fuel Poverty:

- Low income households
- Households reliant on benefits
- Households with inefficient heating systems
- Households with insufficient insulation
- Households living in poorly maintained properties
- Those with health issues
- Those in private rented accommodation

Impacts of fuel poverty include:

- Deteriorating health condition: e.g. increased asthma due to damp homes, circulatory complications due to cold homes, leading to increased medical visits to GP surgeries and in some cases longer in hospital stays as the patient cannot be released into a cold home;

- Choosing to go without heating, to pay for other essential items;
- Confusion with the system, with potential to fall into arrears: SICAB is seeing a growth in level of utilities debt, from £30,427 in 2013/14, up to £48,773 in 2014/15.

<sup>139</sup> CAS (2013):

<http://www.cas.org.uk/system/files/Fuel%20Bills%20Survey%20Report.pdf>

<sup>140</sup> Carbon Management Team, SIC (2015)

## 2.4 Transport

This session focused on the cost of travel (outwith and within Shetland), taking due account of any reductions available for travel, for different groups of people. It provided another opportunity to explore the impacts of national policy on socio-economic inequalities in Shetland.

### Introduction

This cost and availability of transport is critical to individuals' ability gain employment, use services and take up social opportunities.

At the individual and household level travel is prohibitive for those on lower incomes, particularly those not entitled to concessions. This can lead to debt to meet costs if people are forced to travel (e.g. family bereavement, hospital visits for family, family crisis).

Travel concessions are available for external and internal travel; some provided at a national level and others locally. The evidence provided enables an exploration of these concessions, concluding that those groups that benefit from discounted or free travel are not necessarily those that, financially, need it most.

### Evidence

#### 2.4.1 External Travel

At the community-wide level Shetland society faces significantly higher costs than mainland communities and even other island groups. This will have a greater negative impact on those individuals and households on a low income, and the choices available to them.

The following tables provide information on the cost of travel and the concessions available:

#### Ferries – Family of 2 Adults 2 Children (under 16) with Car and Cabin – Peak Season (2015)

No Northlink ID	
Lerwick-Aberdeen:	£754.00
Kirkwall-Aberdeen:	£518.60
Stromness-Scrabster:	£234.60
Stornoway-Ullapool:	£154.20
With Northlink ID <sup>141</sup>	
Lerwick-Aberdeen:	£592.60
Kirkwall-Aberdeen:	£395.40
Stromness-Scrabster:	£152.60
Stornoway-Ullapool:	£154.20

Source: Northlink, 2015

Other Concessions:

- Over 60: 2 free return journeys per year – National Concession
- Disabled: 2 free return journeys per year – National Concession  
Registered Blind travel for free<sup>142</sup>
- Students: 2 return ferry journeys per year – National Concession

#### Air – Family of Four (Children Must Be Under 12)

No Air Discount	Cheapest	Most Expensive
Sumburgh-Edinburgh	£772.54	£1503.52
Kirkwall-Edinburgh	£588.84	£1503.52
Stornoway-Edinburgh	£503.66	£1263.04
With Air Discount <sup>143</sup>	Cheapest	Most Expensive
Sumburgh-Edinburgh	£521.56	£959.12
Kirkwall-Edinburgh	£411.34	£959.12
Stornoway-Edinburgh	£359.58	£815.48

Source: Flybe, 12<sup>th</sup> August 2015

Other Concessions:

Blind can get one free return flight per year – Local Concession

<sup>141</sup> Islanders 30% discount – Northlink Concession

<sup>142</sup> Provided by Northlink

<sup>143</sup> ADS: 40% discount on air fare to all island residents registered, and used as evidence for Session. This has increased to 50% for flights booked after 1<sup>st</sup> January 2016.

### 2.4.2 Internal Travel

It is acknowledged that, even with no public funding constraints, the public transport network will never be comprehensive enough to offer the same level of access and convenience as a private vehicle. In other words, in most areas of Shetland, including the peripheral areas of Lerwick, a car is necessary to ensure access and choice to employment and opportunities.

Evidence highlights specific constraints:

- The cost of public transport is high for individuals, if not entitled to concessions: this is preventing people accessing volunteering and work placements that could support them to move into employment (Employability Pathway, SIC and Partners)<sup>144</sup>;
- For those who are unwell and living in remote areas, the challenge (and cost) of public transport can be prohibitive, e.g. accessing Work Capability Assessments (CAB);

- Multi-journey fares ironically means that those more able to afford to buy a book of tickets at a time can get cheaper fares (Transport Planning, SIC);
- Not all households have a driving licence, or the resources to obtain one (Employability Pathway, SIC and Partners);
- An issue for young people in Shetland is the cost of car insurance, as well as the cost of obtaining a driving licence (MSYPs);
- The network and timings remain a challenge for young people, e.g. the lack of a bus from the college to Lerwick at 3.30pm (MSYPs).

To date, it had been assumed that the barrier to vulnerable people accessing opportunities was a lack of availability of buses; evidence gathered for this session exposed the lack of affordability as a bigger issue for those on benefits and wishing to move into employment.

The following tables provide information on the cost of travel and the concessions available:

#### Internal Transport, SIC, 2015 Prices

Return Journey to Lerwick for an individual using public transport					Car**
	Working	Young Person*	60 and over	Disabled	
Baltasound - Lerwick	£17.80 Max £14.60 Min	£7.00 Max <sup>1</sup> £6.53 Min <sup>1</sup> £9.00 Max <sup>2</sup> £8.50 Min <sup>2</sup>	£1.00 Max £0.52 Min	No charge	£47.80 Max £43.30 Min
Hillswick - Lerwick	£6.60 Max £5.30 Min	£3.30	No charge	No charge	£20.88
Sumburgh - Lerwick	£5.40 Max £4.30 Min	£2.70	No charge	No charge	£14.72
Scalloway – Lerwick	£3.20 Max £2.60 Min	£1.60	No charge	No charge	£4.28
* Under 16 <sup>1</sup> - 16 to 25 <sup>2</sup>					
** Using AA Mileage Calculator – Petrol Car - Average 35mpg – 122ppl – 15ppm fixed costs					

<sup>144</sup> One employed at the Bike Project pays £120 / mth to access employment (2016)

Return Journey to Lerwick for an individual using public transport	
All Bus Service Users	20% discount on adult fare with multi journey card
Young person	Under 16 - half fare on buses - £1 return fare on ferries (£0.52 with multi journey ticket) – Local Concession Under 19 - £1 return fare on ferries (£0.52 with multi journey ticket) – Local Concession 17 to 26 – 1/3 off on bus services - National Concession Young people in Shetland are not aware of this concession, and still find it expensive. MSYPs recommend 50% fares up to 18
60 and over	Free bus travel - National Concession £1 return fare on ferries (£0.52 with multi journey ticket) – Local Concession
Disabled	Free bus - National Concession Ferry travel – Local Concession

## 2.5 Geography and Communities

The fourth session investigated the impact of geography and social isolation on inequalities in Shetland and explored the ways in which communities already do, or could, overcome challenges.

### Introduction

The evidence explored included:

- Fragile Areas of the Highlands and Islands (developed on behalf of Highlands and Islands Enterprise);
- The Minimum Income Standard for Remote Rural Scotland;
- National and locally available research into loneliness and isolation.

Evidence was provided by residents of Unst and Fair Isle, and recent migrants to Shetland.

### Evidence

#### 2.5.1 Fragile Areas of Shetland

Highlands and Islands Enterprise (HIE) uses data to determine the fragility of the geography of the Highlands and Islands of Scotland. This is based on the relative fragility of datazones and uses 4 key indicators<sup>145</sup>:

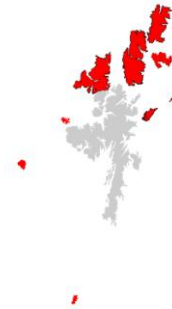
- Percentage change in population between 2001 and 2011
- Drive-time to the nearest mid-sized service centre
- Median household income
- Average unemployment rate during 2013.

In the 2014 review, 79 datazones were identified as fragile: 12.3% of the population of the Highlands and Islands.

In Shetland, all islands with a population of 300 or fewer are classified as fragile, as are 5 mainland datazones out of 30.

This means that the list of fragile areas is as follows:

- Fair Isle
- Fetlar
- Foula
- Papa Stour
- Northmavine
- Skerries
- Unst
- Whalsay
- Yell



According to the 2011 census the total population of these areas is 3,456; therefore 16% of the population are considered to live in an area considered to be fragile.

Population in these areas has decreased 3.2% (compared to a 5.4% increase for Shetland), between 2001 and 2011:

- 14% in Unst / Fetlar compared to increase of 7.5% in Whalsay (exc. Symbister);
- All experienced decline in the 0-24 years age group (-0.6% in Whalsay (exc. Symbister) to -27.3% in Unst/Fetlar);
- 4 experienced decline in working age population (15-64) (-2.6% in Whalsay (exc. Symbister) to -19.4% in Unst/Fetlar);
- Lower ratio of working/non-working compared to Shetland (2.1 vs 2.9), but higher than HIE average of 1.9.

Average (Median) household income is generally lower, but unemployment is similar (1.1% compared to 1.2% for Shetland).

- Less than £20,000 median Income in Northmavine and North Isles;
- Unemployment at or above HIE average of 2.4% in Unst / Fetlar.

Poor ranking of access to services (3 of worst 20 datazones within Shetland).

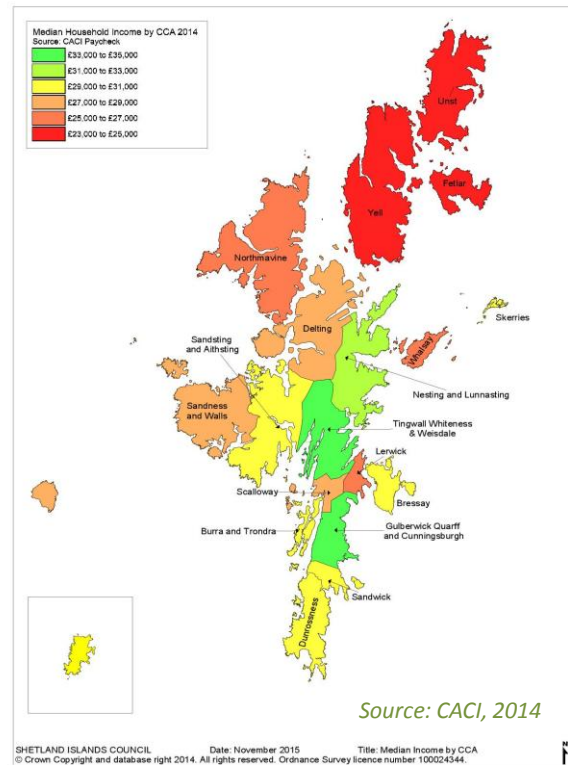
Unemployment rate is low, as it is in the rest of Shetland; however, this can mask issues, as a decline in working population can indicate that people who cannot find work will leave.

<sup>145</sup> As a relative measure, the ranking of Shetland's datazones depends on changes across the Highlands and Islands.

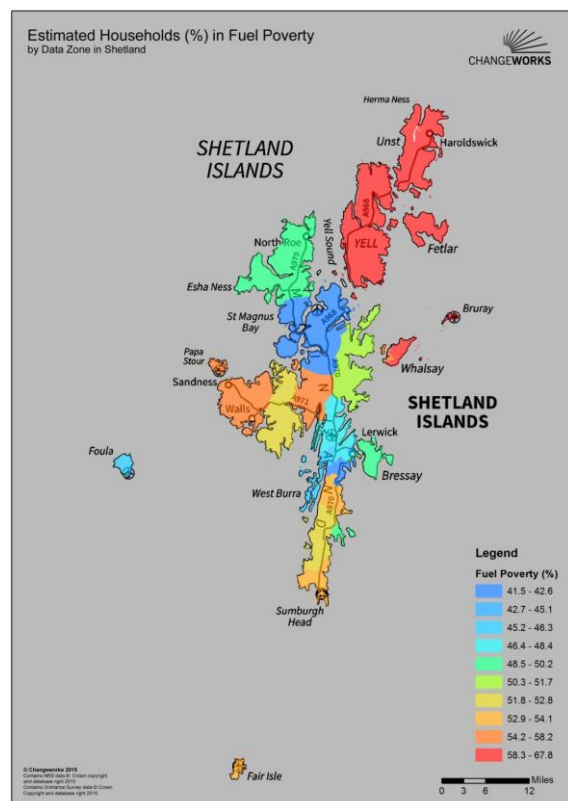
The following data has been mapped. Examples are provided, with the remainder available online<sup>146</sup>:

- Population Change, by Community Council Area (Census)
- Household Change, by Locality (Census, GRO(S))
- Median Income, by Community Council Area (CACI)
- Council Tax and / or Housing Benefit, by Locality (Council Tax, SIC)
- House Sales, by Locality (Scottish Government)
- House Completions, by Locality (SIC)
- Property Type, by Locality (SIC)
- Births and Deaths, by Locality
- Fuel Poverty Map, by Datazone (Changeworks).

### Median Household Income, by Community Council Area 2014



### Estimated Household Percentage in Fuel Poverty, 2015, by Datazone, 2004/2014



<sup>146</sup> <http://www.shetland.gov.uk/equal-shetland/commission-meetings.asp>



### 2.5.2 Cost of Living, by Geography<sup>147</sup>

The Minimum Income Standard for Remote Rural Scotland determines that households require budgets of 10-40% more to achieve a minimum acceptable living standard than elsewhere in the UK. Within Shetland, estimated budgets are available for different communities, based on accessibility:

- Town
- Easy Access to Town
- Difficult Access to Town
- Remote from Town.

The study demonstrates (2013):

- A single person on Income Support, remote from town, has an available budget of 28% of what they require for a minimum acceptable living standard. The minimum wage would provide 60% of what is required and someone on average earnings would be able to live adequately.
- The weekly fuel bill for a household living in social rented accommodation will be £22.99 in a Northern Isles Town (Lerwick), and £35.13 in a Northern Isles Settlement, compared to £12.36 in an English Rural Town.
- There is a difference in cost, for specific categories, based on different geographies<sup>148</sup>:
  - Food, particularly for those for whom Lerwick is not readily accessible and, even more, for those who are remote from Lerwick;
  - Fuel, all areas not within Lerwick;
  - Personal goods and services, particularly for those remote from Lerwick;
  - Clothing, all areas, not within Lerwick;
  - Social and cultural participation, particularly for those who cannot readily gain access to Lerwick or are remote;
  - Alcohol, particularly for those remote from Lerwick.

In summary, in areas within two hours of Lerwick (monthly supermarket shop, with top up):

- 15-20% higher costs than Lerwick for working age households;
- In remote areas, using only a local shop: 25-30% higher costs

### 2.5.3 The Relationship Between Geography and Housing

The cost of housing, within Shetland, is impacted upon by geography. The cost of housing is higher in Lerwick and central areas of Shetland than more remote areas<sup>149</sup>. This, in turn, impacts on the finances of households; yet being able to live in these areas may be a necessity for households, in order to access employment and meet other needs. Conversely households may only be able to afford housing in more remote areas, but are then tied in to high transport costs to access employment. And, whilst housing in more remote areas may be cheaper, the median household income in these areas is lower<sup>150</sup>.

Research into Deprivation and Social Exclusion in Shetland (2006) found that<sup>151</sup>:

- Housing issues in remote areas of Shetland tend to be the poor condition of housing. Householders are seldom in a position to be able to pay for improvements or the heating costs to heat the house adequately. And poor health can exacerbate inability to resolve these issues.
- There is a shortage of housing, which is more common closer to Lerwick. This can result in cramped living conditions on a long-term basis, whilst others sleep a couple of nights at a time on different friends' and families' sofas.
- Living in a poor and/or temporary housing situation impacts on the health of household members.

<sup>147</sup> Minimum Income Standard (2013): <http://www.hie.co.uk/regional-information/economic-reports-and-research/archive/a-minimum-income-standard-for-remote-rural-scotland.html>

<sup>148</sup> <http://www.shetland.gov.uk/equal-shetland/commission-meetings.asp>

<sup>149</sup> For example, in 2013 the average house sale price was £147,570 in Central Mainland, £139,371 in Lerwick & Bressay, £69,630 in North Isles (inc. Whalsay and Skerries), Scottish Government (2014)

<sup>150</sup> CACI (2014)

<sup>151</sup> Research into Deprivation and Social Exclusion in Shetland (2006) <http://www.shetland.gov.uk/communityplanning/documents/Dep.andsocialinclusionexecsummary-eperring.pdf>

#### 2.5.4 The Challenges and Solutions of Communities: Geographic

The following section summarises the illustrations provided by people living in some of Shetland's more remote areas.

The community of Fair Isle recently undertook an exercise to develop a plan for their long-term future (launched in 2015). This highlights many of the challenges faced by those living in a remote location, and the solutions proposed to overcome these. For example:

- Energy Supply: off-grid, aerogenerator system with diesel back up.
  - Diesel is expensive (25p / kWh) in addition to high quarterly renewal charge;
  - Complex freight logistics to maintain Health and Safety regulations on the boat, to bring in barrels. Pumping into tanks requires help from neighbours and is not possible for older people;
  - Currently insufficient power for requirements.  
A new system is in the planning stage to increase renewables and reduce dependence on diesel.
- Travel: cost and uncertainties of travel throughout the year.
  - Day trip by plane is £40 for an islander. This may be necessary for some medical appointments, such as dentist and optician, which cannot be claimed back;
  - Summer day trips by the boat to Lerwick are a vital cheap way to get to Mainland Shetland, e.g. for appointments or meeting friends. The recent work between the community and Council to retain these trips was seen as successful, and the community are keen to continue this dialogue;
  - Weather means days on Mainland Shetland if a person is stuck: i.e. can attend meeting or training and spend a number of unscheduled days on the Mainland, which is all unpaid time;
  - Some elderly people cannot travel, because of the upheaval and access to the boat and plane. For example, some elderly residents will not attend dentist checkups on the Isle, as they know they

will not be able to travel to the Mainland for the treatment.

Ongoing dialogue with providers is seen as critical for the future.

- Broadband: currently very slow, restricting downloads.
  - Seen as crucial to future sustainability, on the Isle, influencing people's decisions to re-locate.  
Plans for improvement are in place.
- Population: currently constrained by available and affordable housing, frustrating the aspiration to increase the population.
- Moving to the Isle can be isolating if people do not have family, and it can take time to fit in – however, it is important to have new ideas.

There are currently many community initiatives being developed and run by the Unst community. Some perspectives on the challenges and opportunities provided by remoteness include:

- The data on remote areas presents a bleak picture; it may be easier to live in Lerwick or mainland Scotland but amazing communities exist in remote areas, where people are happy and thriving.
- Unst has experienced many knocks: e.g. closure of airport (1996), RAF Saxa Vord (2006), 2 Schools, 4 Shops, but the island has a reputation for bouncing back. However, 'it's exhausting to keep bouncing', and the energy spent on fighting cuts could be better spent on positive dialogue and activity.
- There is a perception that remote communities are a drain on resources, rather than a contributor; Unst continues to push forward a positive image e.g. Unstfest. Although it takes a lot of energy, it is important that communities take pride in themselves; successful developments come from communities.
- Unst creates its own recreational opportunities (e.g. a trip to the cinema for a family of 4 could cost up to £150, and therefore is not feasible for most). However, it takes up a lot of time, commitment and household income to support all events within the community (e.g. two individuals sit on 11 Committees).

- The community is beginning to feel listened to, and a dialogue is starting (e.g. Building Budgets) rather than a fight.

Through written representations made by Parent Councils and CURE<sup>152</sup>, the Commission was made aware of their view that geography can also impact on service provision, with particular reference in this case to Education. The representations highlighted their concerns about what they perceive to be inequalities in access to secondary education in Shetland; in particular concern about the impact of children being weekly boarders in Lerwick, or travelling long distances to school each day. It should be noted that in 2014/15 the longest travel time to school was a journey from North Nesting to Lerwick<sup>153</sup>.

Their views underline the way in which, because of the islands' geography, decisions by any of Shetland's public authorities can have significant impacts – both positive and negative - on people's lives. They would also strongly contend that the impacts are felt not only as the result of change, but by the threat of change, particularly when it is repeated. In balance, it must be acknowledged that consultations are never undertaken lightly, and that the Commission on Rural Schools<sup>154</sup> highlighted good practice in the conduct of Council consultations. Whatever the views or concerns it is inevitable that change is going to happen and that not all change is necessarily bad. Consequently, it is important for both public services and communities that they work together to develop any service changes and the known impacts of change are also understood, from the perspective of individuals, families, communities and agencies.

<sup>152</sup> Input was also received from CURE, Aith and Baltasound Parent Councils and Unst Community Council as part of a 'Reality Check', noting their thoughts and opinions in relation to inequalities in Shetland.

<sup>153</sup> Transport Planning, SIC

<sup>154</sup>

<http://www.gov.scot/About/Review/CommissionRuralEducation>

#### 2.5.5 The Challenges and Solutions of Communities: European Migrants, recently moved to Shetland

The following section summarises the illustrations provided by people who have recently moved to Shetland from other European countries:

- Accessing employment: there are barriers to employment, including:
  - A lack of suitable references (i.e. English language and UK based work experience);
  - Understanding working rights and visas;
  - Access to affordable childcare, with no family or friends to provide informal support; and
  - Access to UK driving licences.
- Community:
  - It can be difficult getting to know people in Shetland (e.g. one person lived in Shetland for four months without meeting anyone). However, the library and Adult Learning classes provide a means to meet others and develop friendships.
  - There are few places open after 5.30pm to meet or study and cultural and sporting activities seem expensive.
  - The dialect can be difficult to understand.
  - The health system is very easy to access: useful information, quick response for physical illness (and free), but lack of support for mental illness.
  - Lack of affordable housing.
- Environment:
  - Poor climate;
  - Distance from elsewhere, with high cost of transport to and from Shetland, and there is also a lack of awareness of ADS.

#### 2.5.6 Solutions from Communities:

The session provided an opportunity for the representatives from communities to put forward solutions for the future:

- Communities can overcome a lot of the challenges themselves, but do want to be listened to about the support required from others to overcome some of these, and to work with services.
- The importance of community participation in local democratic process, particularly regarding possible reductions in services, to

ensure trust, confidence and the development of solutions<sup>155</sup>.

- Changes and reductions in services would be more constructively achieved if undertaken within the community setting, rather than service silos; this ensures the full impact is known and communities can work with services to achieve more with less.
- Communities require the space and long-term vision and strategy from service-providers to be able to develop and solve issues; rather than facing ongoing changes from above.
- Involving those who are isolated in organising community activities is a win-win.
- Broadband to remote areas has huge potential, and it is essential that everyone be enabled to benefit.

### 2.5.7 Social Isolation and Loneliness

Social Isolation and Loneliness can be experienced by anyone and anywhere; within remote communities to the centre of metropolises.

Loneliness<sup>156</sup>:

- Loneliness is a mismatch between the human relationships we have and the relationships we want; there is a difference between loneliness (which leads to pain and isolation) and solitude (which is chosen);
- Impacts of loneliness include:
  - Increased risk of depression
  - 64% increased risk of developing clinical dementia
  - Increased risk of high blood pressure
  - An equivalent risk factor for early mortality to smoking 15 cigarettes a day,
  - A greater impact than other risk factors such as physical inactivity and obesity

And lonely people:

- Are vulnerable to alcohol problems
- Eat less well – they are less likely to eat fruit and vegetables
- Are more likely to be smokers and more likely to be overweight
- Are less likely to engage in physical activity and exercise.

The Research into Deprivation and Social Exclusion in Shetland (2006), analysed

<sup>155</sup> This was reiterated by CURE and Parent Councils, as above

<sup>156</sup> Joseph Rowntree Foundation (2013): <https://www.jrf.org.uk/report/loneliness-resource-pack>

participants' views on their local community. In conclusion<sup>157</sup>:

- Two thirds felt part of their community, valuing friendliness, trust, caring and sharing (this could be anything from being waved at to being involved in a local community group).
- Others felt isolated, left out or unimportant, particularly those within Lerwick, younger people, those with health issues (substance misuse and / or mental illness), carers and incomers (particularly those on a low income)<sup>158</sup>.
- Negative aspects included:
  - Discrimination: past behaviour / that of family
  - Lack of privacy, claustrophobia
  - Cliques, making decisions
  - Lack of transport / things to do

However, if people felt part of their community, they felt they had a good quality of life.

The research undertaken by teenagers in Shetland (2011) highlighted that the nature of small communities in Shetland means some young people can face loneliness<sup>159</sup>:

- They can easily develop negative reputations and labels, which stick and affect access to future opportunities;
- They can feel considerable pressure to 'fit in'; those who behave differently to the majority can be labeled and stigmatised;
- Integration into Shetland life can be difficult, particularly for those who are not originally from Shetland.

A pilot project run in Shetland demonstrated the wider impacts of integration of families into a community, such as improved educational attainment of the children<sup>160</sup>.

<sup>157</sup> Research into Deprivation and Social Exclusion in Shetland (2006):

<http://www.shetland.gov.uk/communityplanning/documents/Dep.andsocialexclusionexecsummary-eperring.pdf>

<sup>158</sup> This was highlighted by those employed at the Bike Project who can feel very isolated, particularly those with mental health problems (2016)

<sup>159</sup> Poverty is Bad – Let's Fix It!! (2011):

[http://www.shetland.gov.uk/youth\\_services/documents/Shetland20Report0Final20Draft.pdf](http://www.shetland.gov.uk/youth_services/documents/Shetland20Report0Final20Draft.pdf)

<sup>160</sup> Community Connections, 2012

## 2.6 Early Intervention and Prevention to Address Failure Demand: Pathways of Individuals

### Introduction

‘Failure Demand’ is a somewhat opaque term used in systems analysis. It describes what happens when a service doesn’t do what it’s supposed to. Essentially, the failure to provide a service, or to provide a good service, creates additional demand. For example, the replacement of bank branches by call centres can mean that bank customers are unable to obtain the advice they want in the accustomed way, and if the call centre is inadequately staffed, or staff aren’t properly trained, customers will find themselves having to call back again and again in an effort to get through, or (if they do get through) to obtain the right advice. The extra demand generated by the failure of the call centre to do its job is known as ‘failure demand’. It might be slightly better expressed as ‘service failure demand’.

In the kinds of public service offered by agencies, failure demand could result from the inability to provide a decent service to any particular group. This could include a failure to intervene when intervention is required, resulting in a problem becoming more difficult to resolve at a later stage, when it has become critical. Failure demand may thus result from a lack of early intervention.

At a national level, Shetland performs highly for educational attainment, positive destinations for young people and employment rates. In the context of the Christie Commission, the fifth session examined the evidence available to understand the levels and reasons why some people perform less well. A better understanding should help guide early intervention and prevention in Shetland, with a view to reducing socio-economic inequalities.

When examining data at any stage of an individual’s life, whether pre-birth, early years, school attainment, post-school destinations, or employment, there are approximately 5% of the Shetland population who are doing less well. The evidence set out below aims to explore this in more detail, taking account of the perspective offered by the Christie Commission.

Therefore, the evidence covered includes:

- The Christie Commission’s purpose and conclusions;
- The cost and benefits of preventative activity, at a national and local level;
- Educational attainment;
- Destinations of young people;
- Health of young people: mental health and alcohol consumption;
- Employment;
- Adult health: substance misuse and mental ill-health;
- Occupational segregation;
- Families and communities.

### Evidence

#### 2.6.1 The Christie Commission (2010)<sup>161</sup>

The Commission believed Scotland’s public services were in need of urgent and sustained reform to meet unprecedented challenges, stating:

- The pressure on budgets is intense and public spending is not expected to return to 2010 levels in real terms for 16 years.
- New demographic and social pressures will entail a huge increase in the demand for public services.
- The economic downturn will also intensify and prolong demand.
- Unless Scotland embraces a radical, new, collaborative culture throughout our public services, both budgets and provision will buckle under the strain.

### Failure Demand

The consequences of ‘Failure Demand’ (as explained above, demand caused by service failure) has significant consequences:

- It has been estimated that over 40 per cent of public service expenditure is attributable to ‘failure demand’ in Scotland, that is spending

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<sup>161</sup> Christie Commission (2010):  
<http://www.gov.scot/About/Review/publicservicescommission>  
 on  
 What Works Scotland, Prevention:  
<http://whatworksscotland.ac.uk/wp-content/uploads/2015/04/Note-for-Prevention-Evidence.pdf>  
 Christie Commission, 4 Years On, A View Point:  
<http://www.scottishpolicynow.co.uk/article/christie-4-years-on-3-digested-or-diverted>



that could have been avoided by earlier intervention.

- This is not achieved because:
  - Resources are mostly used to deal with immediate problems to the exclusion of longer term initiatives;
  - Unhelpful (but understandable) focus on short term results, sometimes because of political demands; and
  - Organisations have a narrow focus on specific outcomes or outputs – and prevention not seen as central to the mission of the organisation.
- To deal with causes rather than symptoms requires a 'decisive shift' to prevention, this can often require an element of disinvestment:
  - (a) What do we prioritise?
  - (b) What should we cut?

#### Tackling Inequalities within this Context:

- Pooling budgets in support of a longer-term, outcomes-based approach should allow preventative approaches to be prioritised. It should also contribute, over time, to a reduction in 'reactive' public expenditure by preventing duplication and reducing negative demand;
- Extending and deepening a local partnership approach can involve a wide range of public service organisations in coordinated and preventative approaches;
- Empowering front-line staff should promote greater initiative in identifying ways in which the causes of inequality can be tackled;
- Empowering people and communities to engage in the initiation, design and delivery of public services should support the development of preventative approaches; and
- Helping communities to achieve their own ambitions.

#### Key Objectives:

- Ensure that public service organisations prioritise prevention, reduce inequalities and promote equality.
- Ensure that our public services are built around people and communities, their needs, aspirations, capacities and skills, and work to build up their autonomy and resilience.
- Ensure that public service organisations work together effectively to achieve outcomes - specifically, by delivering integrated services

which help to secure improvements in the quality of life, and the social and economic wellbeing, of the people and communities of Scotland.

- Ensure that all public services constantly seek to improve performance and reduce costs, and are open, transparent and accountable.

#### 2.6.2 Prevention: Cost vs. Benefit

This section draws on national and local data to demonstrate cost savings as a result of preventative activity.

##### National Examples

##### Disruptive Behaviour in School<sup>162</sup>

- This is frequently a sign of problems outside school;
- Permanent exclusion can cost up to three times more than investing in counselling or family support to change challenging behaviour before it reaches crisis point.
- In 2010, in England (per year):
  - £15,000 for one place in a Pupil Referral Unit;
  - £5-6,000 for support to stay in school (including school place).

##### Substance Misuse<sup>163</sup>

- Every £1 spent on young peoples' drug and alcohol interventions brings a benefit of £5-£8
- Every 5,000 patients screened in primary care may prevent 67 A&E visits and 61 hospital admissions: costs £25,000, saves £90,000
- One alcohol liaison nurse can prevent 97 A&E visits and 57 hospital admissions: costs £60,000, saves £90,000
- Every 100 alcohol-dependent people treated can prevent 18 A&E visits and 22 hospital admissions: costs £40,000, saves £60,000

##### Local Examples

For those adults in Shetland who were unable to achieve a positive destination after formal education (perhaps due to a combination of a lack of formal qualifications, effective parenting or lack of guidance and / or growing up in a workless

<sup>162</sup> Barnardo's (2010): Not Present and Not Correct: Understanding and Preventing School Exclusions: [http://www.barnardos.org.uk/not\\_present\\_and\\_not\\_correct.pdf](http://www.barnardos.org.uk/not_present_and_not_correct.pdf)

<sup>163</sup> National Treatment Agency for Substance Misuse(2014): <http://www.nta.nhs.uk/uploads/why-invest-2014-alcohol-and-drugs.pdf>



household) many need support from services for issues such as mental ill health, substance misuse, and support to move into employment (such as the Condition Management Programme, Shetland Community Bike Project and Job Brokerage through Moving On Employment Project).

The cost of examples of these services locally, is as follows:

- Substance Misuse services, for those who are highly unlikely to be in employment: an average of £3,500 per person
- Employment Service Intervention: £4,173.61 / year / person<sup>164</sup>.

NB: there are national financial benefits to employment: less spent on benefits, increased tax revenue.

Alcohol:

The image below is taken from some work completed by Alcohol Focus Scotland<sup>165</sup>. Costs were calculated for a range of alcohol harm indicators covering health, crime, social care, productive capacity and wider social costs specifically within Shetland. This is a national methodology which has been applied to local data to provide estimates of the cost of alcohol related harm at a local authority level. The estimates show a range because of variation in different studies and in differences in estimates of the percentage of workload attributable to alcohol.



<sup>164</sup> Employability Pathway Services (2015/16): cost of services divided by number of individuals supported

<sup>165</sup> The full details and methodologies used can be found on the Alcohol Focus Scotland website:  
<http://www.alcohol-focus-scotland.org.uk/media/61624/The-Cost-of-Alcohol-Shetland-Islands.pdf>

### 2.6.3 Educational Attainment and Participation

There is a very strong drive, at a national level, to reduce the gap in educational attainment<sup>166</sup>. In general, Shetland performs well, at a national level, with the third best qualifications attainment in Scotland, as a percentage of Secondary 4 pupils achieving five awards at Level 5 in 2013<sup>167</sup>.

However, not everyone succeeds:

- 6% of pupils do not achieve 5 awards at SCFQ 4 or better (2013): National 4
- 50% of pupils did not achieve 5 awards at SCFQ 5 or better (2013): National 5<sup>168</sup>.

And there is concern from communities about the narrowing of subject choices<sup>169</sup>.

At a national level, the following has been evidenced<sup>170</sup>:

- Scottish education serves many children well, but the attainment gap between pupils from the richest and poorest backgrounds is wider than in many similar countries.
- Preschool: Children from higher-income households significantly outperform those from low-income households at ages 3 and 5. By age 5, there is gap of 10 months in problem-solving development, 13 months in vocabulary.
- Through school: A clear literacy gap in Primary 4 (ages 7–9) widens by Primary 7 (ages 10–12). By S2 (ages 12–14), more than twice as many students from the least deprived areas (as distinct from households) performed well in numeracy as those from the most deprived. The Scottish Survey of Literacy and Numeracy found an attainment gap of 14–17 per cent

for reading, 21 per cent for writing, and 12–28 per cent for numeracy from primary through to secondary school.

- Leaving school: Those from the most deprived families are consistently less likely to go into further/higher education, employment, training, or voluntary work.
- Employment: Studies show that, by age 22–23, low attainers are more likely to be unemployed (12 per cent vs 4 per cent), work part-time (12 per cent vs 6 per cent), earn less (difference of £23.45 per week for men, £44.94 for women) and be in low-status jobs.

Data is specifically available around educational attainment for Looked After Children (LACs).

At a national level, educational attainment of Looked After Children is compared with overall attainment<sup>171</sup>. In 2013/14:

- 91% attained 1 or more qualifications at SCQF Level 3 or better, compared to 98% at a national level;
- 12% attained 1 or more qualifications at SCQF Level 6 or better, compared to 59% at a national level;
- 73% move into a positive destination, compared to a national average of 92%.

It is difficult to make comparisons with Shetland data due to the low numbers and high degrees of variation; however, in the same year 100% of Shetland's Looked After Children attained at the levels above, although none achieved 5 or more<sup>172</sup>.

Audit Scotland has recommended that all Councils should ensure they fully understand why levels of attainment vary between their schools and different groups of pupils. The Insight Tool can provide information on the link between multiple deprivation and attainment at the geographic scale of datazones, but this is limited in the information that can be provided for Shetland due to the limitations of SIMD in remote rural areas (see Section 2.2). This is demonstrated through the graph below, which provides information on national and Shetland-wide attainment by datazone, where there is a lack of correlation between geography and attainment in the Shetland dataset.

<sup>166</sup> School Education: Accounts Commission (June 2014): [http://www.audit-scotland.gov.uk/docs/local/2014/nr\\_140619\\_school\\_education.pdf](http://www.audit-scotland.gov.uk/docs/local/2014/nr_140619_school_education.pdf)

<sup>167</sup> School Education: Accounts Commission (June 2014): [http://www.audit-scotland.gov.uk/docs/local/2014/nr\\_140619\\_school\\_education.pdf](http://www.audit-scotland.gov.uk/docs/local/2014/nr_140619_school_education.pdf)

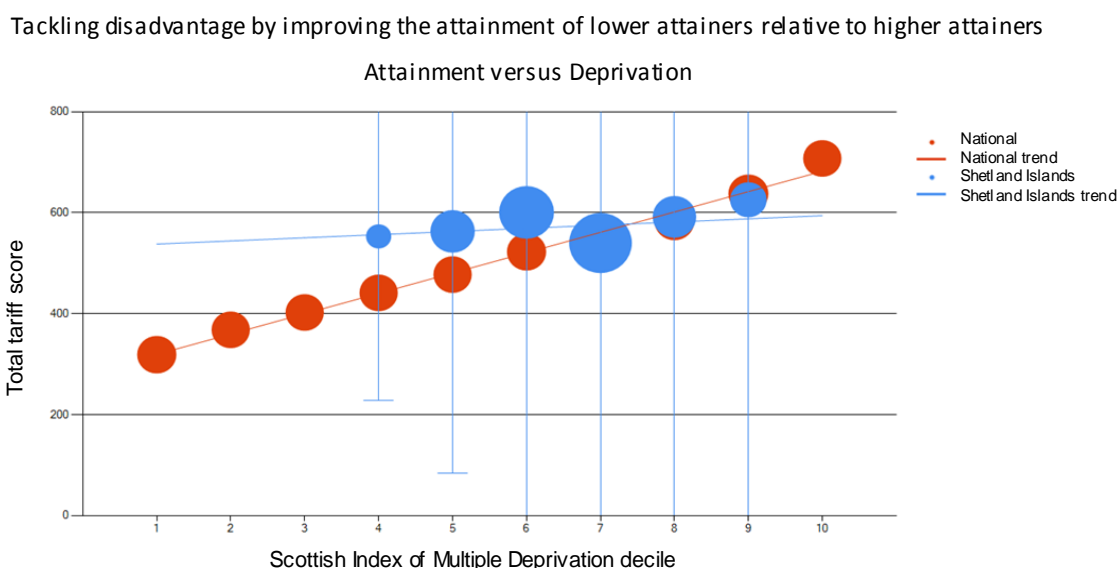
<sup>168</sup> Shetland Islands Council, Children's Services Directorate, Schools / Quality Improvement Secondary School Comparison Project Report (January 2015) <http://www.shetland.gov.uk/coins/submissiondocuments.asp?submissionid=17085>

<sup>169</sup> Submission from CURE, January 2016

<sup>170</sup> Closing the Attainment gap in Scottish Education, Edward Sosu and Sue Ellis for JRF (2014) <https://www.jrf.org.uk/report/closing-attainment-gap-scottish-education>

<sup>171</sup> Scottish Government (2014): <http://www.gov.scot/Topics/Statistics/Browse/Children/EducationalOutcomesLAC>

<sup>172</sup> Shetland Islands Council (2014)

SIMD: 2014/15, National / Shetland<sup>173</sup>

The Improvement Service has begun a process of supporting Shetland's CPP to improve the information that can be provided to Shetland on inequalities.

The Closing the Attainment gap in Scottish Education report by JRF (2014) provides examples of activity effective in closing the gap in attainment. Some examples are:

- High-quality, full-day preschool education (in particular quality for those children from low income families);
- Parental involvement programmes, helping parents support their children's learning at home (based on international evidence);
- Co-operative learning if taught across the school;
- Nurture groups and programmes to increase social, emotional and behavioural competencies (with impact on attainment to be robustly evaluated); and
- Academically focused, after school activities.

Nurture Groups are now embedded within Shetland schools, and a multi-agency group provides solutions to ensure 2-4 year olds are able to access their pre-school opportunities.

#### 2.6.4 Destinations of Young People

Again, Shetland performs very well, at a national level, in this area. For example in August 2015 Shetland had the highest percentage of young people participating (95.1% compared to an average of 87.6% in Scotland)<sup>174</sup>. This is when they are actively engaged with an organisation for the purpose of learning, training or work; work includes volunteering.

In the year 2013/14, 3.8% of young people were unemployed (50% unemployed and seeking, and 50% unemployed and not seeking). A further 2.2% were supported through Activity Agreements<sup>175</sup>. In Shetland, these young people are the hardest to reach and may have multiple barriers to employment.

For those young people in positive destinations (2014/15)<sup>176</sup>:

- 35.5% were in employment, compared to 21.7% at a national level;
- 32% were in Higher Education, compared to 38.3% at a national level;

<sup>174</sup> Skills Development Scotland:  
<https://www.skillsdevelopmentscotland.co.uk/publications-statistics/>

<sup>175</sup> Skills Development Scotland:  
<https://www.skillsdevelopmentscotland.co.uk/publications-statistics/>

<sup>176</sup> Skills Development Scotland:  
<https://www.skillsdevelopmentscotland.co.uk/publications-statistics/>

<sup>173</sup> Data from Insight: Scottish Government tool for measuring attainment

- 22.3% were in Further Education, compared to 27.8% at a national level.

For those young people not in positive destinations<sup>177</sup>:

- A higher proportion are male (e.g. 63% male compared to 38% female in June 2014; 15 out of 24 young people);
- The distribution across age groups (16-19), shows no significant trend;
- A higher proportion of females are economically inactive (e.g. 39.4% of females were economically inactive compared to 23.3% of males); and
- Over 30% of 16-19 years olds suffer from long-term illness (30%); this is the highest level in Scotland.

In more recent years, the barriers faced by young people requiring support have changed: there are fewer with poor educational attainment and more with ASN such as autism, mental health issues, substance misuse (in particular synthetic highs).

There has also been a reduction in the number of young people living independently in recent years. Young teenagers who are potentially vulnerable to future homelessness are identified and families are provided with family mediation support, if necessary, to enable the young person to stay at home beyond 16. The number of homeless presentations at 16 has decreased as a result<sup>178</sup>.

However:

- Intergenerational homelessness can still be evident;
- Young mums are supported, but a number have been in the system and receiving support for some time.

#### 2.6.5 Health of Young People: Mental Health and Alcohol Consumption

Referrals to CAMHS (Child and Adolescent Mental NHS Shetland undertakes health checks at Secondary 3, providing the following data (2015)<sup>179</sup>, as set out in the Table below:

	Yes	No	Total
During the last month have you been bothered by feeling down depressed or hopeless?	20.74% 45	79.26% 172	217
During the last month have you been bothered by having little pleasure or interest in doing things?	15.28% 33	84.72% 183	216
Have you ever deliberately injured yourself?	10.23% 22	89.77% 193	215
Do you feel that stress is affecting your daily life? (sleeping, eating, relationships etc)	23.61% 51	76.39% 165	216
Have you had any absences from school in the last 6 months?	81.11% 176	18.89% 41	217

<sup>177</sup> Skills Development Scotland:  
<https://www.skillsdevelopmentscotland.co.uk/publications-statistics/>

<sup>178</sup> Housing Service, SIC (2015)  
<sup>179</sup> NHS Shetland (2015)

Referrals to CAMHS (Child and Adolescent Mental Health Services) average about 10 per month<sup>180</sup>.

The SALSUS (Scottish Adolescent Lifestyle and Substance Use Survey) is carried out every two years with 13 year olds and 15 year olds<sup>181</sup>. In Shetland in 2010, 4% of 13 year olds and 19% of 15 year olds reported that they usually drink at least once a week (including those who drink 'almost every day' and 'about twice a week'). In both age groups, the proportion of pupils in Shetland who have ever had an alcoholic drink was similar to the national average.

Compared with 2006, there was a notable decrease in the proportion of pupils who reported that they usually drink at least once a week (from 12% in 2006 to 4% in 2010 among 13 year olds, and from 39% in 2006 to 19% in 2010 among 15 year olds).

In the 2013 SALSUS the number of 13 year olds reporting that they usually drink at least once a week has increased since 2010 and is worse than the Scottish average, though the percentage of 13 year olds who reported they had had an alcoholic drink has reduced since 2010 by 14%, and the percentage of 13 year olds who thought it was ok for someone their age to try drinking alcohol has reduced by 11% since 2010.

The proportion of 15 year olds who have ever had an alcoholic drink has not changed since 2010 and is 11% higher than the Scottish average, and the percentage of 15 year olds who thought it was ok for someone their age to try drinking alcohol is 12% higher than the Scottish average. But the percentage of 15 year olds who had drunk in the week prior to the survey has reduced by 11% since 2010.

Overall therefore, this suggests that more 13 year olds have never drunk alcohol, and don't think that someone their age should, but of those who have, more are drinking regularly. The percentage of 15 year olds drinking has not changed and is higher than the Scottish average, but those drinking in the week prior to the survey have reduced.

According Shetland Alcohol and Drug Partnership Strategy 2015/20, 65% of child protection cases have parental drug and/or alcohol misuse, compared to 39% for Scotland, and 17.8% of 15 year olds drink on a weekly basis, compared to 11.6% for Scotland.

#### 2.6.6 Working Age

This section explores factors affecting individuals of working age in Shetland.

##### Employment

Again, Shetland performs very well, at a national level, in this area. Between July 2014 and June 2015<sup>182</sup>:

- 83.6% of adults were economically active in Shetland, compared to 77.6% in Scotland and 77.5% in the UK;
- 2.6% of adults were unemployed, compared to 5.9% and 5.7% respectively.
- 16.4% were economically inactive<sup>183</sup> (compared to 22.4% and 22.5% respectively), although 87.8% of these did not want a job.

Local data shows that of those not in employment between October 2014 and October 2015<sup>184</sup>:

- Between 80 and 120 were on Job Seekers Allowance / Universal Credit (those who are unemployed and actively seeking work);
- Of these, the majority have been claiming for 6 months or less; however, the older the individual, the more likely they are to be in long-term unemployment, with 4 in the 50-65 age group who have not been employed for 2 years or longer;

Between 110 and 120 have been on Employment and Support Allowance, Work Related Activity Group (ESA WRAG), who DWP consider capable of work at some point in the future and who are capable of taking steps to moving into work and work related activities immediately.

<sup>180</sup> NHS Shetland (2015)

<sup>181</sup> <http://www.gov.scot/Topics/Research/by-topic/health-community-care/social-research/SALSUS>

<sup>182</sup> NOMIS:

<https://www.nomisweb.co.uk/reports/lmp/la/1946157431/report.aspx?town=shetland>

<sup>183</sup> This includes students, those looking after family / home, temporarily sick, long-term sick, retired.

<sup>184</sup> DWP, Shetland Office Local Data



### Those Not in Employment (October 2014 to October 2015 inclusive)

	Oct 14	Jan 15	Apr 15	Jul 15	Oct 15
JSA / UC	107	83	118	109	109
ESA (Total)	590	618	N/A	601	649
ESA (WRAG)	120	118	N/A	107	120
Lone Parents	N/A	62	56	45	N/A

Source: DWP

Of those people over 25 currently being supported into employment locally<sup>185</sup>:

- 92.5% are long-term unemployed or no recent period of sustained employment;
- 32.5% have no formal qualification.

In addition:

- 10% have a criminal conviction;
- 60% have poor mental health; and
- 20% have substance misuse issues.

These can be both a cause and effect of unemployment.

Within Shetland, it is more challenging for those living in the more remote areas to find sustained employment, due to both less opportunities and the cost of transport, which prevents access to employment and opportunities which could lead to employment.

Literacy and numeracy remains a barrier for some, with 75% of those supported by Adult Learning being over the age of 25 (2015). Lack of ICT skills are increasingly a barrier.

The transition from benefits to employment is risky, due to different payment regimes<sup>186</sup>.

In 2014/15, 75% of those supported by the Council's Criminal Justice Service were unemployed, 66% were males under 25, and many had poor qualifications. Unlike urban areas, such as Glasgow, there tends to be a lack of family support for those in the criminal justice system.

<sup>185</sup> SIC, Employability Pathway (December 2015), which is providing integrated support for employment

<sup>186</sup> Employees of Shetland Community Bike Project (2016)

The indication is that this is because of the community stigma associated with being involved in crime<sup>187</sup>.

	Oct 14	Jan 15	Apr 15	Jul 15	Oct 15
JSA / UC	107	83	118	109	109
ESA (Total)	590	618	N/A	601	649
ESA (WRAG)	120	118	N/A	107	120
Lone Parents	N/A	62	56	45	N/A

2.6.7 Adult Health  
Substance Misuse<sup>188</sup>

- Prevalence of Drug Misuse: 2.2% in Shetland (5.5% male and 0.9% females), compared to 1.7% in Scotland (2.4% male and 1% female).
- Drug-related deaths (2009/13) was 0.06 in Shetland compared to 0.10 for Scotland.
- Local premises licences in force in Shetland compared to 123.5 in Scotland (per 10,000 population of 18 year olds and over).
- Alcohol related hospital stays in Shetland for 2013/14 was 677.1, compared to 696.6 for Scotland (Age-sex standardised rate per 100,000 of population).

### Mental Health

There is limited data on the actual prevalence and incidence of mental health problems and mental illness in Shetland, though GP practices hold registers of patients with serious mental illness (defined as being schizophrenia, bipolar affective disorder or other psychoses).

The Scottish Mental Health Strategy uses European figures to demonstrate the prevalence of mental health problems in the population. Mental illness is one of the top public health challenges in Europe as measured by prevalence, burden of disease and disability. It is estimated that mental disorders affect more than a third of the population every year, the most common of these being depression and anxiety. Applying that to the Shetland population, it means that out of 15,000 adults aged 15-65, at least 5,000 will experience some form of mental ill health or distress each year. About 1-2% of the population has psychotic disorders (approximately 150-300 adults in Shetland, which fits with the prevalence from GP data). The ageing population is leading to an increase in the number of people with dementia; 5% of people over 65 (approximately 200 in Shetland) and 20% of those over 80 years of age.

<sup>187</sup> Criminal Justice Service, SIC (2015)

<sup>188</sup> Shetland Alcohol and Drugs Partnership Strategy 2010/12



In all countries, most mental disorders are more prevalent among those who are most deprived.

The prevalence of mental disorders does not appear to be changing significantly over time, though more people are accessing treatment and support as understanding grows and the stigma of mental illness is reducing.

Using age-sex standardized rate per 100,000 population: there were 24.1 deaths by suicide in Shetland compared to 15.0 in Scotland (2001/12)<sup>189</sup>.

### 2.6.8 Occupational Segregation

Occupational segregation is the clustering of men and women in certain types of job (horizontal segregation) or certain grades (vertical segregation: the “glass ceiling”).

Close the Gap<sup>190</sup> illustrates typical patterns of occupational segregation in Scotland, focussing primarily on occupations in which women are under- or over-represented:

Women working in Scotland are more likely to be concentrated in certain industries, e.g. 48% of working women work in Public Administration, Education and Health industries. Women represent over half of workers in only 6 of the 20 Standard Industry Classifications, whereas men tend to be more evenly spread across industry groups:

- Around 80% of administrative and secretarial workers and those in personal service jobs are women;
- Women are more likely to work in the public sector (67% local government and 81% NHS), yet only a third of chief executive officers are women;
- 97% of childcare and early years education and 98% of classroom assistants are women;
- Less than 3% of chartered civil engineers in Scotland are women;
- 10% of senior managers in science, engineering and technology professions are women; and
- Modern Apprentices continue to be gender segregated: women accounted for only 2% of

engineers in training in 2012 and 93% of hairdressers.

A range of factors underlie male and female patterns of employment in Scotland. A Scottish Government review<sup>191</sup> in 2015 of economic outcomes for women in Scotland and recent trends concluded that:

- Female economic inactivity rates are higher than male rates;
- Women perform better in education but go on to lower paid work;
- Educational choices remain gendered;
- Vocational training shows strongly gendered patterns;
- Women’s employment drops and they do more part time work as they take on more caring responsibility;
- Under-employment (time based and skills based) is higher for women;
- The types of jobs undertaken by women are often distinctly different from those of men;
- The gender pay gap is reducing but remains substantial;
- Fewer women are self-employed;
- Women are less likely to own or lead businesses; and
- There are fewer women on public and private sector boards and in government.

Women are significantly more likely than men to work part time. Whilst they represent 52% of the Scottish labour market, 43% of working women work part time, comprising 80% of all part time workers in Scotland<sup>192</sup>. This is significant, as part time work is predominantly found in low paid sectors and at lower grades than full time work, perpetuating patterns of occupational segregation and contributing to the gender pay gap.

<sup>189</sup> Shetland Alcohol and Drugs Partnership Strategy 2010/12

<sup>190</sup> Close the Gap:  
<http://www.closethegap.org.uk/content/gap/>

<sup>191</sup> Scottish Government (2015): “Maximising Economic Opportunities for Women in Scotland”:

<http://www.gov.scot/Resource/0047/00473060.pdf>

<sup>192</sup> HIE website: Equalities in Scotland's Growth Economic Sectors

Occupational segregation and the underlying causes also impact negatively on some individuals (particularly on women) who experience the associated long term, often lifetime, effect of low pay:

- Earnings below the living wage
  - 62% of all those paid below the living wage are female<sup>193</sup>;
  - 27% of all female employees compared to 15% of all male employees earn below the living wage<sup>194</sup>;

- Under-employment – women are more likely than men to work fewer hours than they wish, including those who are currently unemployed<sup>195</sup>.

Within Shetland: the following tables illustrate patterns of horizontal occupational segregation (by job type) and vertical occupational segregation (by job grade) across the public sector in Shetland:<sup>196</sup>.

#### Horizontal Occupational Segregation (by job type)

Shetland Islands Council – Horizontal occupational segregation for roles where there are more than 20 employees and female / male occupational segregation is greater than 80%		
a) Occupational Group (1804 employees)	% men	% women
Care (838)	11%	89%
Catering (239)	6%	94%
Cleaner (220)	9%	91%
Clerical / Admin (174)	2%	98%
Joiner (23)	100%	0%
Marine (124)	100%	0%
Roadworker (27)	100%	0%
School Support (133)	2%	98%
Social Worker (26)	19%	81%

NHS Shetland – 43% of the workforce (286) work part time. Of these 7% are male and 93% female		
a) Occupational Group (671 employees)	% men	% women
Agenda for Change (AFC) staff	15%	85%
Non AFC Staff, medical and executive contracts	54%	46%
NHS total	18%	82%

#### Vertical Occupational Segregation (by job grade)

Shetland Islands Council – Vertical occupational segregation: salary at Grade J is £29,725		
a) Occupational Group (1804 employees)	% men	% women
Grades A (lowest grade) – I	78%	92%
Grades J – Q (highest grade)	22%	8%

NHS Shetland – Agenda for Change staff only		
b) Occupational Group	% men	% women
Agenda For Change staff – Bands 1 - 6	More men work in Bands 2 and 6 and above	Women work mainly in Bands 3,5 and 6
Agenda For Change staff – Band 8 (high)	10% of male workforce in Band 8 roles	3% of female workforce in Band 8 roles

Orkney and Shetland Valuation Joint Board - of twelve staff 6 are male and 6 female		
c) Occupational Group	% men	% women
Grades F to I	0%	100%
Grades G to Chief Executive	100%	0%

<sup>193</sup> IPPR and Resolution Foundation (2013) Beyond the Bottom Line: the Challenges and Opportunities of a Living Wage:  
<http://www.resolutionfoundation.org/publications/beyond-bottom-line-challenges-opportunities-living-wage/>

<sup>194</sup> Joseph Rowntree Foundation (2013), “Monitoring Poverty and Social Exclusion”:  
<https://www.jrf.org.uk/report/monitoring-poverty-and-social-exclusion-2013>

<sup>195</sup> Joseph Rowntree Foundation (2013), “Monitoring Poverty and Social Exclusion”:  
<https://www.jrf.org.uk/report/monitoring-poverty-and-social-exclusion-2013>

<sup>196</sup> Publicly available public sector workforce information 2015: published in public sector bodies’ Equality Mainstreaming Reports. Public bodies with more than 150 employees publish workforce data and therefore no data is included from smaller organisations in Shetland. NB: Agenda for Change is the NHS national pay system.

### 2.6.9 Families and Communities

Growing Up in Scotland (GUS)<sup>197</sup> is a Scottish Government funded longitudinal study currently tracking the lives of two cohorts of children from across Scotland. Data has been collected to provide an overview of a range of inequalities in outcomes and experiences, where inequality is defined as the unequal socio-economic patterning of outcomes and risk factors that disadvantage less affluent children. Comparisons are made between those in the highest and lowest fifth of earners (top and bottom quintiles).

### Key Message from 10 Years of the GUS Study:

It is concluded that where you are born, and into what socio-economic status, affects your outcomes: i.e. what happens or does not happen in the early years (pre-conception, pre-birth, through to mid-primary), has an overwhelming effect on outcomes later on.

Childhood obesity is one indicator of vulnerability. There are over 200 severely obese children in Shetland<sup>198</sup>. Reducing obesity is not just down to the individual child or family; others have a role too:

	Highest Quintile	Lowest Quintile
Mother smoked in pregnancy	8%	49%
Mother drank alcohol in pregnancy	34%	11%
Not breastfed	19%	55%
Poor diet at age 5	13%	39%
Below average vocabulary ability at age 5	20%	54%
Below average problem solving ability at age 5	29%	53%
High social, emotional or behavioral difficulty at age 5	3%	18%
Mother drinking 5 or more units of alcohol when child aged 10 months (typical day)	20%	45%
Mother has longstanding illness / disability during their child's first 4 years	26%	47%
Mother has poor mental health during their child's first 4 years	6%	24%
Mother smoking when child is 8	7%	44%

<sup>197</sup> Tackling Inequalities in the Early Years: Key messages from 10 years of the Growing Up in Scotland study (2015): <http://growingupinScotland.org.uk/new-findings-tackling-inequalities-in-the-early-years/> (children in the older cohort were born in 2004/05 and the younger cohort were born in 2010/11, both selected at random from Child Benefit records, tracking about 10,000 individuals).

<sup>198</sup> Health Promotion, NHS Shetland (2015)

- Wider family members and other families in the community;
- Class teachers and dinner staff at school;
- Sports groups;
- Drivers, so that it is safe to walk and cycle;
- Leisure facilities, which can avoid selling sweets and other unhealthy options

Issues raised by professionals working in Shetland covered<sup>199</sup>:

- Some children come to school without having had breakfast because of the lack of capabilities of parents;
- The higher costs of fresh fruit and healthy good may mean that families on a low income will not be able to afford these items;
- Teachers can spend a lot of time supporting children with basic emotional needs, possibly because this support is lacking at home;
- Some children experience a lack of positive male role models, which is exacerbated by the lack of men working in the nursery and primary education sector.

#### 2.6.10 Summary

In Shetland, there are more and more instances of good practice involving the joining up of services and activities to provide support to individuals and families. That helps to ensure a focus on outcomes and provides opportunities to break negative cycles. For example:

- Employability Pathway: beginning to work where people are getting the right support at the right time, with agencies working together to meet the needs of each person.
- Maternity Services: vulnerable pregnancies pathway (including midwifery and health visitors) and strong public health agenda for all.
- Social Work: early intervention team is in place.
- Nurture groups within schools: provide emotional and behavioural support for children.
- Enabling access to pre-school settings for families unable to do so themselves.
- Reducing homelessness amongst young people.

However, the data indicate that there are still people and families within Shetland who are not thriving. Characteristics include:

- Poor educational experiences: engagement is difficult, attainment may be low;
- Unable to achieve or maintain employment, including training and education;
- At risk of homelessness;
- Substance misuse issues;
- Chronic illness;
- Poor mental health;
- Looked After Children;
- Not involved in their local community (this may include not attending pre-school);
- Workless or low income households;
- Young parents; and
- Living in remote areas, where employment opportunities are limited and the cost of transport or running a private vehicle can be prohibitive.

Many such initiatives require 'us to work in a different way; it does not require new resources'.

For example:

- Ensure each vulnerable person has someone they can engage with and identify with, particularly at times of transition (the importance of empathy and trust);
- Develop family approaches: providing support to the parents of vulnerable children and young people too, such as developing the skills of parents.

GIRFEC provides an opportunity to achieve this, e.g. through the 'Named Person'.

- Recognise the value of relationships people have within their communities (whether work, local or of interest), and build on this.
- Find ways to ensure that children who would benefit most from universal policies, interventions and opportunities are able to access them: for example pre-school from age 2, youth clubs, sport's clubs.

<sup>199</sup> Commission 5, 23<sup>rd</sup> November 2015

## APPENDIX 3: Impact to Date

One of the reasons Commissioners were chosen was because of their ability to influence change. Therefore it is of value, at this stage, to record the impact of the work of the Commission since July 2015. These examples also illustrate how the work of the Commission can be used in the future.

### Evidence Base

- Through each sitting, the Commission has been developing a shared understanding of the value of a robust evidence base;
- This evidence base has been readily accessible for recent funding applications (e.g. European Social Fund, Citizens' Advice Scotland);
- The evidence base has also been made available for lobbying and responses to national consultations (e.g. SSE Submarine Cable Consultation, with potential impact on cost of electricity in Shetland, Islands' Bill Consultation responses from the Shetland Partnership and Community Planning Partners).

### Informing National Organisations / Agendas

The Commission has been able to inform a number of national organisations about the realities of inequalities in Shetland; these include:

- COSLA;
- Scottish Government (e.g. invitation to be involved in a 'test and change' project regarding in-work poverty);
- Highlands and Islands Enterprise;
- Children in Need (e.g. funding to support rural disadvantage);
- Human Rights Commission; and
- Big Lottery Fund.

### Informing Local Strategy / Activity

- The Salvation Army received a request from a rural church to support more people in the community;
- Shetland Islands Credit Union agreed in principle to the introduction of a Funeral Loan Package;
- Links between CAB and MSYPs( e.g. promotion of advice role of CAB for young people);
- Links between CAB and Locality Planning;
- CAB and local banks are involved in the delivery of financial education support to pupils at Anderson High School;
- Wealthier and Fairer section of Shetland's Local Outcomes Improvement Plan 2016-20; and
- Informing Shetland's Integrated Impact Assessment.

## APPENDIX 4: Recommendations

This Appendix provides detail behind each of the recommendations, including:

- The reasons for the recommendation, based on the evidence considered; and
- Some examples of activity already happening in Shetland, recognised as contributing to the area of need identified.

The Commission has developed these for the Shetland Partnership Board's consideration, and believes that community planning and community planning processes are the best place to achieve this step change.

The priorities to be achieved by community planning processes in Shetland are set out in the Local Outcomes Improvement Plan (LOIP), 2016/20. Accordingly, the development of these priorities has been dovetailed with the work of the Commission, to ensure that addressing inequalities drives priorities and future activity across Shetland's community planning partnership.

Agencies and communities in Shetland can achieve some of the recommendations locally, within existing resources, whilst others require a change in regional or national policy. When involvement from out with Shetland is required, this is specified.

### A. THE MONEY WE HAVE

#### Where We'd Like to Be in 2030

Lower the percentage of households in poverty:

- Low income households are supported to reduce their household bills, such as food, energy and travel;
- Well-paid employment opportunities are available throughout Shetland;
- Childcare is affordable and meets the needs of working parents;
- Access using public transport networks, is improved for those on a low income;
- National governments understand the additional costs for essential items for householders in Shetland, reflecting this in welfare payments and other relevant schemes.

#### Why?

- The relatively high cost of living in Shetland.
- Many years of rising prices for essential items against stagnant wages and benefit freezes.
- Welfare Reforms.
- A growing national trend towards an increase in households who are in work but are living below the poverty line.
- Gender segregation in the workplace, thought to result in a higher proportion of underemployment, part-time and lower paid employment for female workers.
- The entrenched and growing issue of Fuel Poverty, with much of the control over tackling it in the hands of large energy companies and national governments. For example, Shetland, along with other areas in the Highlands and Islands, has the greatest need for energy for heating, due to geography and climate, yet households and businesses pay the greatest premiums in the UK.
- Addressing energy efficiency of homes reduces the cost for households and can also reduce carbon emissions and climate change impacts.
- People and families in Shetland on benefits cannot afford to use public transport within Shetland. This prevents access to opportunities such as volunteering or training that could move them into employment and to other universal services that others can enjoy.

**Understand more about families in Shetland who are working but struggling financially, and develop at least one project to help these families.**

#### This is What We Recommend:

Seek to work with the Scottish Government to:

- Gather data and information where there are currently gaps in understanding relating to in-work poverty, such as



- The numbers experiencing low pay, temporary contracts and zero hours contracts, and the impacts for these individuals and their families;
- Uptake of in-work benefits compared to eligibility;
- The potential impacts on local businesses of paying the Living Wage (links with Scottish Business Pledge);
- The income gap between the Minimum Wage, Living Wage and what is required to achieve a Minimum Standard of Living, and the choices households are making as a result.
- Develop and deliver a project, with those impacted upon by low household incomes, that results in a reduction in in-work poverty in Shetland.
- Promote the benefits to employers, of the Living Wage.

#### **Some Examples of What's Happening**

Secured the sustainability of services to provide support to individuals and groups to develop financial resilience, and to be provided with intensive support if vulnerable to debt. This includes assessment for all welfare payments and developing a culture change to ensure uptake of benefits.

Developing the capacity of staff already based in communities to consider financial resilience, referring to specialist support services (e.g. SICAB), if necessary.

Researching gender segregation and resultant issues, in order to develop different approaches to careers and career paths within Shetland.

**Understand more about the childcare needs of working parents, and then develop and implement a plan that aims to improve the affordability and flexibility of childcare throughout Shetland.**

#### This is What We Recommend:

- Establish the extent to which a lack of affordable childcare is a barrier to employment (and consequently a barrier to increasing household income), by evidencing and understanding the availability and affordability of childcare for working parents. This should include those parents who wish to move into employment and/or increase their hours, particularly those in more remote areas of Shetland (linking with In Work Poverty and Gender Segregation projects).

**Seek to increase national benefit levels in Shetland, to account for the higher cost of living in remote rural areas, working closely with UK and Scottish Government; whilst also increasing the percentage of those eligible who take up their benefits.**

#### This is What We Recommend:

- Work closely with UK and Scottish Government, including through Our Islands Our Future and the Islands Bill process, to ensure understanding of the higher cost of living in Shetland, in particular for essential items.
- Work closely with the Scottish Government as they implement their devolved powers for welfare payments.

**Review travel concessions so they enable those on low incomes to travel. This can be achieved locally, but will also require change at the national level.**

#### What?

- Examine concessions / fare structures over which Shetland has local control, using smart and integrated ticketing. For example, seek to:
  - Extend the age for 50% concessions from 16 to 18 years
  - Use concessions to enable people to move into work.
- Work closely with UK and Scottish Government to understand the transport constraints currently faced by those on a low income to provide greater levels of intervention through the Air Discount Scheme and Northlink Islander Discount for those on a low income.

**Make the best use of resources available so that Shetland homes can be heated affordably and efficiently, working closely with UK and Scottish Government.**

This is What We Recommend:

- Work closely with UK and Scottish Government, including through Our Islands Our Future and the Islands Bill process, to ensure the needs of Shetland households are understood and supported by national support available. This includes:
  - Flexible solutions to enable the right solution for each home in Shetland, reflecting the wide differences in housing styles and standards in Shetland (whole household approaches). There is an opportunity to ensure Scottish ECO achieves this, a scheme currently being developed by the Scottish Government;
  - National schemes to implement measures to reduce Fuel Poverty use wider measures of need than benefits alone to determine eligibility, in part to compensate for the high cost of essential items in Shetland and therefore the greater challenges of those on low incomes making ends meet;
  - Winter Fuel Payments accounting for Wind-Chill;
  - Government using appropriate measures for measuring energy performance, which takes into account Shetland's climate; and
  - The cost of electricity for pre-payment meters.
- Investigate the potential for small-scale local dispersed community based district heating schemes, drawing in external funding, in order to increase the heating options available in local areas across Shetland.
- Request that SHEAP review pricing to investigate potential for pre-payment meters to be the same cost for electricity as other customers.
- Raise awareness of the value of moving to smaller properties, if available, and provide support to householder, if necessary.

Some Examples of What's Happening

Raising awareness of Children in Need grants, available through the Buttle Trust, providing funding to families on low income them to reduce their energy bills.

Ensuring householders know where to go for energy advice and can easily access support available to them, moving towards a whole household approach, including benefit checks, debt advice, energy advice, access to funding for property improvements, drawing in external funding.

**B. THE PEOPLE WE ARE**

Where We'd Like to Be in 2030

Reduce the number of families who are struggling to thrive:

- Individuals and families that are struggling are provided with the right support, at an early enough time;
- Everyone in Shetland seeks to ensure no one is lonely or stigmatised.

Why?

- Approximately 5% of people in Shetland, at any life stage, are not able to have the same positive experiences and opportunities as the majority of people living in Shetland. These individuals tend to have a number of issues and barriers.
- Over the last 15 or so years, it has become more common to see these poor experiences being passed down the generations.
- Shifting money and staff to better target support, and at an earlier stage is known to help these families and also save money.

- There are many local examples of the impact of stigma, isolation and loneliness on people and families in Shetland. And there is an increasing body of research showing the negative impacts on physical and mental health.

**Target resources to break negative cycles within families.**

What?

- Enable targeting and preventative actions to happen at any age where there is an opportunity to break negative cycles and support individuals and households to move on.
- Seek support from the Improvement Service to better understand prevention within the Shetland context.
- Ensure that the parents of vulnerable children and young people are supported, through family-based approaches (building on GIRFEC). In particular, the following are known to be most vulnerable. Those:
  - With poor educational experiences: engagement is difficult, attainment may be low;
  - Unable to achieve or maintain employment;
  - At risk of homelessness;
  - With poor mental health;
  - With chronic illness;
  - Those with experience of substance misuse;
  - Not involved in their local community (this may include not attending pre-school);
  - Living in remote areas, where employment opportunities are limited and the cost of transport or running a private vehicle can be prohibitive.

And:

- Looked After Children;
- Workless or low income households; and
- Young parents.
- Ensure accessibility to services, employment and opportunities for vulnerable families, is considered and addressed, where possible to achieve positive outcomes.

Some Examples of What's Happening

Getting it Right for Every Child to ensure the well-being of all children and young people.

Transport Group that finds solutions to enable children to attend pre-school settings.

Employability Pathway: ensures people needing help to find work know where to go and get the right support.

Involving the community to find solutions to enable people to get to activities within the community that they weren't able to get to.

The use of Smart Cards to enable low-income families to swim or go to the cinema.

Shetland's Maternity Pathway ensures potentially vulnerable parents are supported pre-pregnancy, during pregnancy and after birth.

**Building on one of Shetland's best assets; as individuals and as a community do all we can to reduce stigma and loneliness.**

What?

- Encourage volunteers and peer groups within communities to take an active part in finding ways to ensure everyone feels included and able to access opportunities and support they need, if required. This can build on the concept of the Community Connections project pilot that led to positive individual, family and community outcomes at no additional cost.
- Promote a culture of participation, equality and fairness, based on open communication and inclusion.
- Use frameworks such as Health and Safety Executive management standards for work-related stress to promote and protect employee mental wellbeing.

**Target resources to make sure actions to tackle drug and alcohol misuse are effective.**

Alcohol Brief interventions are among the most cost effective and effective interventions in reducing harmful and hazardous drinking.

What?

- Support Licensing Board to make difficult decisions on the provision of alcohol.
- Encourage Shetland 'leaders' to act as role models in promoting safe and sensible use of alcohol.

**C. THE PLACES WE LIVE**

Where We'd Like to Be in 2030

Communities are balanced and sustainable; where distance is not a barrier to opportunity and communities have sufficient people to be able to deliver the services required:

- Digital access does not become a barrier to being involved;
- Technology is used innovatively to reduce inequalities; and
- Local communities are valued, recognising that different places will have different needs and solutions; with services planned and delivered with communities, where possible.

Why?

- Geography can exacerbate inequalities: for example, the median income tends to be lower in more remote areas of Shetland, whilst the cost of living is higher.
- Being able to access employment, services and opportunities is fundamental to reducing socio-economic inequalities in Shetland.

Some Examples of What's Happening

UK Government commitment to 75% of Shetland premises with access to Next Generation Broadband by 31<sup>st</sup> December 2016 and 100% of Shetland premises with access to New Generation Broadband by 31<sup>st</sup> December 2020.

Participatory Budgeting Pilot Project for distributing Community Council funding to their local communities, involving the wider community in decision-making.

Re-timetabling of ferries in the North Isles was achieved by the Council and communities working together to find a workable timetable that reduced costs.

**Ensure broadband and mobile technologies are available throughout Shetland, and that individuals and families have the equipment and skills required to participate in the digital revolution<sup>200</sup>.**

Why?

- Increased digitisation of service delivery, employment and society; without actions being take now, it could become an additional barrier to participation.
- Digital and mobile access provides opportunities to reduce the need for travel, for example, to employment and services.
- Young people are concerned about the lack of mobile connectivity in Shetland.

What?

- Ensure national governments and agencies are fully aware of the needs and potential of a digital Shetland.
- Identify groups at most risk from digital exclusion and use existing resources to address gaps identified to enable barriers to access and lack of know-how to be overcome.

<sup>200</sup> Similar to European Parliament Motion for a Resolution, Resolution 7, January 2016

**Ensure services are planned and delivered with communities, where possible.**

Why?

- There are greater challenges for those living in more remote areas, but with sufficient assets (buildings, services and people), communities and individuals can thrive.
- Communities want to work with services, particularly at this time of dwindling public sector funding.
- To support local implementation of the Community Empowerment Act.
- To assist in the shift towards more participatory budgeting.

What?

- Recognise the power of ongoing dialogue between communities and those delivering services.
  - Tap into the strengths: communities are experts too, particularly in understanding their local communities, and have innovative ideas.
  - Involve communities in understanding the impact of potential decisions on their communities, with services and communities working together to minimise negative impacts.
- Provide communities with the space and long-term vision and strategy from service-providers to be able to develop and solve issues.
- Develop a shared policy approach in relation to fostering resilient rural communities and sustainable community assets.
- Consider whether there is a need to develop appropriate tools for exploring the relationship between geography and socio-economic inequalities. Some partners have tools to assess this, and these could be built on and inform ongoing work around Localities.
- Encourage communities to find solutions: for example, the production of cheaper and healthier food, and transport.

**D. WAYS OF WORKING**

The Commission believes that one of their significant contributions is the evidence base developed to consider the recommendations.

Shetland, like all areas of the UK, is operating within an environment of diminishing public and 3<sup>rd</sup> sector resources, whilst at the same time, other national policies, such as Welfare Reforms, are widening inequalities. Drawing together information on inequalities in Shetland in 2015 provides an opportunity for services, service users and communities to use it to develop understanding; improve the targeting of resources available to ensure, at the very least, inequalities do not increase as austerity deepens; and seek to shift resources towards prevention of poorer outcomes.

Where We'd Like to Be in 2030

- Shetland is committed to reducing inequalities, and resources available are used to achieve equity.
- National governments are aware of the differences in inequalities experienced in Shetland, compared to more urban geographies.

**Use the evidence to improve and broaden understanding of socio-economic inequalities in Shetland.**

Why?

- There is a need for greater understanding, at the national level, of rural socio-economic inequality. This impacts on policy and resource allocation.
- There is a need for greater understanding at the local level:
  - To enable services to target support to those who need it most, as budgets continue to reduce;
  - To enthuse communities to play a greater role in reducing inequalities and remove stigma.

### Some Examples of What's Happening

Scottish Government is aware of the limitation of SIMD for rural areas.

The Commission: evidence base links to development of LOIP, 2016; recent lobbying and consultation responses; engagement with national charities.

Improvement Service support to better understand socio-economic inequalities in Shetland.

Shetland's Integrated Impact Assessment Tool has been developed to enable the impact of changes to services on inequalities in Shetland to be determined.

#### What?

- Develop a full understanding of the issues with: UK and Scottish Government, Government Agencies, Funders, such as Big Lottery and Children in Need.
- Use the evidence to raise specific issues of policy or resource allocation set at the UK, Scottish or Highlands and Islands Level that is contrary to Shetland's circumstances (for example Educational Attainment fund and Submarine Cable Proposals).
- Continue to raise awareness of the issues, at a local level, to assist in reducing stigma and loneliness, and in turn helping to raise the level of benefit uptake.
- Keep the evidence base current, developing use of the data (e.g. Improvement Service support for the development of a Local Outcomes Profile).

**Use the evidence to improve the targeting of resources and ensure inequalities do not widen as local financial resources diminish.**

#### Why?

- To ensure socio-economic inequalities are not increased, despite a reduction in financial resources available.
- Current performance measures tend to focus on the 95-98% who are thriving.

#### What?

- Develop indicators and targets to focus on Shetland's more vulnerable families.
- Target resources (money and staff) and working preventatively to maximise impact on reducing inequalities: i.e. on those on a low income and / or who are isolated, supporting them with short-term goals to achieve longer-term outcomes.
- With further budget cuts forecast for the public sector in Shetland, use the evidence to inform options, moving forward, and assist in developing solutions, assisting in:
  - Ensuring cuts do not exacerbate problems in the medium- to long-term by using Shetland's Integrated Impact Assessment to assess the short to long term impacts of any proposed changes, enabling decisions to prioritise reducing inequalities; and
  - Enabling available resources to be re-allocated to preventative spend, including local funding streams, grants and contracts.



## Glossary

**Additional Support Needs: (ASN)** the Education (Additional Support for Learning) (Scotland) Act 2004 places duties on local authorities, and other agencies, to provide additional support where needed to enable any child or young person to benefit from education. see <http://www.educationscotland.gov.uk/inclusionandequalities/additionalsupportforlearning/aboutasn/index.asp>

**ASN:** See 'Additional Support Needs'

**CAB:** Citizen's Advice Bureau (<http://www.cas.org.uk/>)

**CAMHS:** See 'Child and Adolescent Mental Health Services'

**Child and Adolescent Mental Health Services: (CAMHS)** are specialist NHS services. They offer assessment and treatment when children and young people have emotional, behavioural or mental health difficulties

**Child Tax Credit (CTC):** benefit that brings together income-related support for children and for qualifying young people aged 16-19 who are in full time non-advanced education or approved training into a single tax credit, payable to the main carer. Families can claim whether or not the adults are in-work.

**Christie Commission:** Commission on the Future Delivery of Public Services

**Cold Weather Payments:** households may qualify for a Cold Weather Payment if in receipt of certain benefits and if the temperature in the local area is recorded as, or forecast to be, zero degrees celsius or below for 7 consecutive days. Under the scheme, payments of £25 can be given for each 7 day period of very cold weather between 1 November and 31 March (Source: UK Government).

**Commission (the):** Shetland's Commission on Tackling Inequalities

**COSLA:** Convention of Scottish Local Authorities [www.cosla.gov.uk](http://www.cosla.gov.uk)

**CTC:** See 'Child Tax Credit'

**CURE:** Communities United for Rural Education is a group campaigning against school closures in rural Shetland.

**Deprivation:** Townsend used the term deprivation to describe the cause of poverty: 'People are relatively deprived if they cannot obtain, at all or sufficiently, the condition of life – that is, the diets, amenities, standards and services – which allow them to play the roles, participate in the relationships and follow the customary behaviour which is expected of them by virtue of their membership of society. If they lack or are denied resources to obtain access to these conditions of life and so fulfil membership of society, they may be said to be in poverty.'<sup>201</sup> It is concerned with circumstance, particularly material, and how this impacts upon the condition of people' (See also: Disadvantage, Poverty, Social Exclusion).

**Disadvantage:** similar in meaning to 'poverty', but used to describe a broader outcome of deficit, in all aspects of a person's life, not just material (See also: Deprivation, Poverty, Social Exclusion).

**DWP:** Department for Work and Pensions (see <https://www.gov.uk/government/organisations/department-for-work-pensions>)

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<sup>201</sup> Townsend (1993) p.36

**EAPN:** See 'European Anti-Poverty Network'

**Employability Pathway:** Shetland integrated support for employment. The Employability Pathway sets out the stages of support for a person to successfully secure sustainable employment. The Pathway supports people who have two or more barriers to employment, with the potential to move into at least 16 hours unsupported sustained employment and/or self employment. Some people will move from start to finish of the pathway. Others may start later in the process and miss steps out. See [http://www.shetland.gov.uk/Welfare\\_Reform\\_Employability/EmployabilityPipeline1.asp](http://www.shetland.gov.uk/Welfare_Reform_Employability/EmployabilityPipeline1.asp)

**Employment and Support Allowance: (ESA)** offers people who are ill or disabled, financial support if they are unable to work or personalised help so that they can work if they are able to. ESA can be granted those who are employed, self-employed or unemployed. Applicants must undergo a Work Capability Assessment whilst their claim is being assessed, to evaluate the extent their illness or disability affects their ability to work. Successful applicants are then placed in one of 2 groups: work-related activity group (WRAG), which involves regular interviews with an adviser, or support group, which does not involve interviews (Source: UK Government).

**European Anti-Poverty Network (EAPN):** the largest European network of national, regional and local networks, involving anti-poverty NGOs and grassroot groups as well as European Organisations, active in the fight against poverty and social exclusion. It was established in 1990 and produces regular reports, briefings and tool kits on poverty and social exclusion.

**Food Parcels:** food parcels tend to be required when a household has an unexpected, often unplanned for, increase, in expenditure (such as white goods, birthdays, fuel) or reduction in income (through illness, retirement, for example), and they do not have the safety net of savings or networks to support them at the time.

**Fuel Poverty:** the definition of Fuel Poverty, used by UK and Scottish Governments, is a household spending more than 10% of its income on heating costs. The full Scottish definition of fuel poverty is: a household is in fuel poverty if, in order to maintain a satisfactory heating regime, it would be required to spend more than 10% of its income on all household fuel use. If over 20% of income is required, then this is termed as being in extreme fuel poverty (Source: The Scottish Fuel Poverty Statement, 2002). A satisfactory heating regime is defined as - For 'vulnerable' households, 23°C in the living room and 18°C in other rooms. For other households, 21°C in the living room and 18°C in other rooms (Source: Scottish House Condition Survey).

**Getting It Right For Every Child: 'GIRFEC'** is the national approach to improving outcomes through public services that support the wellbeing of children and young people. Based on children's and young people's rights, it supports children, young people and their parents to work in partnership with the services that can help them.

**Gini Coefficient:** the ratio between the total income received by 10 or 20% of a country's population with the highest income to that received by the 10 or 20% lowest income; the higher the ratio, the greater the inequality. NB: it is not possible to calculate the Gini Co-efficient in Shetland, as the income of the highest earning households cannot be fully determined using data available.

**GIRFEC:** See 'Getting it Right for Every Child'

**Growing Up in Scotland:** this study is tracking the lives of two cohorts of children from across Scotland. Children in the older cohort were born in 2004/05 and those in the younger cohort were born in 2010/11. The children in each cohort were selected at random from Child Benefit records and are representative of all children of these ages in Scotland. Across these two cohorts GUS is tracking the lives of approximately 10,000 children.

**HIE:** Highlands and Islands Enterprise <http://www.hie.co.uk/>

**IIA:** See 'Integrated Impact Assessment'

**Inequality:** there are many terms and definitions used to categorise or describe people within a society who are not able to benefit from the opportunities available to those around them. Definition is not simple, due to the different, often complex factors and processes in operation.

**Integrated Impact Assessment: (IIA)** any process which attempts to cover more than one type of impact assessment in a single process can be called an integrated impact assessment. The Shetland IIA is made up of three areas of assessment: a Sustainability Assessment, an Equality Assessment and a Strategic Environmental Assessment - required by EU Directive to assess the social, economic and environmental impacts of new policies.

**Job Seekers Allowance: (JSA)** an unemployment benefit that can be claimed whilst looking for work.

**Joseph Rowntree Foundation:** an independent organisation working to inspire social change through research, policy and practice. See <https://www.jrf.org.uk>

**JRF:** See 'Joseph Rowntree Foundation'

**JSA:** See 'Job Seekers Allowance'

**Living Wage:** a voluntary hourly rate set independently and updated annually, calculated according to the basic cost of living in the UK. In 2015 the UK Living Wage was £8.25 / hour. See <http://www.livingwage.org.uk/>

**Mean:** in statistics, the 'mean' is a type of average. The arithmetic mean of a group of numbers is found by dividing their sum by the number of members in the group.

**Median:** in statistics a 'median' is the number separating the higher half of a data sample from the lower half. The median of a finite list of numbers can be found by arranging all the observations from lowest value to highest value and picking the middle one (e.g. the median of {3, 3, 5, 9, 11} is 5).

**Minimum Income Standard: (MIS)** 'A Minimum Income Standard for the United Kingdom' is a major programme of work regularly reporting on how much income households need to afford an acceptable standard of living. Developed between 2006-2008, in collaboration with the Family Budget Unit at the University of York, this programme is now carried out fully by Centre for Research in Social Policy (CRSP), with on-going funding from the Joseph Rowntree Foundation. See [www.lboro.ac.uk/research/crsp/mis](http://www.lboro.ac.uk/research/crsp/mis)

**Minimum Wage:** the National Minimum Wage is the minimum pay per hour almost all workers are entitled to by law. The minimum wage rate depends on a worker's age and whether they are an apprentice.

**MIS:** See 'Minimum Income Standard'

**MOEP:** See 'Moving On Employment Project'

**Moving On Employment Project: (MOEP)** Shetland based charity offering support to people over the age of 16 with barriers to employment to help them to reach their full potential. Moving On supports people throughout Shetland. See <http://www.moep.co.uk/MOEP>

**MSYP:** Member of the Scottish Youth Parliament

**National Living Wage:** from April 2016 this will become law; for those working and aged 25 or over. It will be £7.20 an hour for workers aged 25 and older. The National Minimum Wage will still apply for workers aged 24 and under.

**National Minimum Wage:** the minimum pay per hour which the majority of workers are entitled to by law. The rate depends on a worker's age and if they're an apprentice. See <https://www.gov.uk/national-minimum-wage/what-is-the-minimum-wage>

**Outcomes:** the changes, benefits, learning or other effects that happen as a result of work done. Outcomes can be wanted or unwanted, expected or unexpected. They are often hard to count or prove, and normally rely on an understanding of the initial situation or problem for comparison. For example, the outcomes for users of a refugee centre might include improved English language skills, improved confidence in accessing services and reduced isolation (Definition from [www.communitymatters.org.uk](http://www.communitymatters.org.uk)).

**Poverty:** an inability to share in the everyday lifestyles of the majority because of a lack of resources (often assumed to be disposable income) Absolute or extreme poverty is when people lack the basic necessities for survival (See also: Relative Poverty, Deprivation, Disadvantage, Social Exclusion).

**Relative Poverty:** 'Relative Poverty' is where some people's way of life and income is so much worse than the general standard of living in the country or region in which they live that they struggle to live a normal life and to participate in ordinary economic, social and cultural activities. "People are said to be living in poverty if their income and resources are so inadequate as to preclude them from having a standard of living considered acceptable in the society in which they live. Because of their poverty they may experience multiple disadvantage through unemployment, low income, poor housing, inadequate health care and barriers to lifelong learning, culture, sport and recreation. They are often excluded and marginalised from participating in activities (economic, social and cultural) that are the norm for other people and their access to fundamental rights may be restricted" (European Commission, 2004).

**Resolution Foundation:** a non-partisan think-tank that works to improve the living standards of those in Britain on low to middle incomes. Conducts authoritative analytical research on living standards in the UK and produces effective policy solutions that help shape the debate on economic and social policy. See [www.resolutionfoundation.org](http://www.resolutionfoundation.org).

**SADP:** See 'Shetland Alcohol and Drug Partnership'

**SALSUS:** Scottish Adolescent Lifestyle and Substance Use Survey (see <http://www.scotpho.org.uk/publications/overview-of-key-data-sources/surveys-cross-sectional/scottish-schools-adolescent-lifestyle-a-substance-use-survey>).

**Scottish Index of Multiple Deprivation: (SIMD)** identifies small area concentrations of multiple deprivation across all of Scotland in a consistent way. It allows effective targeting of policies and funding where the aim is to wholly or partly tackle or take account of area concentrations of multiple deprivation. The SIMD ranks small areas (called datazones) from most deprived (ranked 1) to least deprived (ranked 6,505). People using the SIMD will often focus on the datazones below a certain rank, for example, the 5%, 10%, 15% or 20% most deprived datazones in Scotland. For more information, go to <http://www.gov.scot/Topics/Statistics/SIMD>

**Scottish Schools Adolescent Lifestyle and Substance Use Survey: (SALSUS)** is funded by the Scottish Government and was established to provide a broad-based approach to the monitoring of substance use among young people in Scotland in the context of other lifestyle, health and social factors.

**Shetland Alcohol and Drug Partnership: (SADP)** is a multi-agency group that aims to ensure that everyone in Shetland is able to live and participate in a safe, vibrant, tolerant, inclusive, fair and healthy community. Its members work to reduce the harmful effects of substance misuse and promote positive change for the people of Shetland, its economy and environment. See <http://www.shetland-communities.org.uk/subsites/sadp/>

**Shetland Community Bike Project:** cycle repair workshop which sells refurbished second hand bikes. Offers voluntary and paid therapeutic employment opportunities.

**Shetland Partnership Board:** the Community Planning Partnership for the Shetland Islands Council area, which provides an overarching framework for partnership working in Shetland. See [www.shetland.gov.uk/communityplanning/community\\_planning.asp](http://www.shetland.gov.uk/communityplanning/community_planning.asp)

**SIC:** Shetland Islands Council

**SIMD:** See Scottish Index of Multiple Deprivation

**Social Exclusion:** the processes in operation causing the resultant circumstances and outcomes. It recognises that these processes are complex and interrelated, constantly changing over time. It is a term coined more recently reflecting the shift in academic thought and government policy away from static accounts of people's (often material) circumstances towards a recognition of the complexities and cause and effect relationships involved<sup>202</sup> (See also: Deprivation, Disadvantage, Poverty).

**SPB:** See 'Shetland Partnership Board'

**Universal Credit: (UC)** A benefit which has started to replace 6 others (Job Seekers Allowance, Employment Support Allowance, Income Support, Tax Credits and Housing Benefit) and is being introduced in stages. Universal Credit will initially only affect new benefit claimants who are single, and even then only those in certain circumstances.

**What Works Scotland: (WWS)** A collaborative venture aimed at improving the way local areas in Scotland use evidence to make decisions about public service development and reform. Their approach combines geographic case studies and themed research around the 'emerging Scottish policy-making model' informed by the work of the Christie Commission. WWS is based in Glasgow and Edinburgh Universities with a network of academic and practitioner partners across Scotland.

**Work Related Activity Group: (WRAG)** the Employment Support Allowance, Work Related Activity Group is made up of individuals who DWP consider capable of work at some point in the future, who are capable of taking steps to moving into work and work related activities immediately.

**Working Tax Credit: (WTC)** provides in-work support for people on low incomes, with or without children. A family will normally be eligible for WTC if it contains one of the following: a single person who is responsible for a child or young person and works at least 16 hours a week; a couple who are responsible for a child or young person, and who jointly work 24 hours or more per week (NB. one adult must be working at least 16 hours); a person who is receiving or has recently received a qualifying sickness or disability related benefit and has a disability that puts them at a disadvantage of getting a job, and who works at least 16 hours per week; or, a person is aged 60 or over and works at least 16 hours per week. If none of the above applies, then a person will still be eligible for WTC if they are aged 25 and over and work 30 hours or more a week.

**WRAG:** See 'Work Related Activity Group'

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<sup>202</sup> Room (1994) in Shucksmith and Philip (2000)

**WTC:** See 'Working Tax Credit'

**WWS:** See 'What Works Scotland'

**Zero Hours Contract:** a non-legal term used to describe many different types of casual agreements between an employer and an individual. Generally speaking, a zero hours contract is one in which the employer does not guarantee the individual any hours of work. The employer offers the individual work when it arises, and the individual can either accept the work offered, or decide not to take up the offer of work on that occasion. (Definition, UK Government).



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