

Edinburgh Poverty Commission:

Phase 1 Emerging Findings

May 2019

Introduction

This paper provides an update on the work carried out by Edinburgh Poverty Commission during the first full phase of its work this year. It is the first of three such reports which will be published by the Commission before it makes its findings and recommendations at the end of 2019.

The paper provides:

- **Background information on the Commission and its work programme**
- **What we learned from our phase 1 call for evidence, visits, and discussions**
- **What we want to hear more about during the next phases of our work, and**
- **Our first thoughts on the actions Edinburgh could take to address the issues we have heard so far.**

These findings published here represent the first outputs from a process of inquiry which is still very much in its early stages. During the rest of 2019 we will continue to listen and to gather the evidence we need to set a new direction for Edinburgh and meet our ambition of a city without poverty.

Background

Edinburgh Poverty Commission was launched in November 2018 and will be working throughout this year to define the steps the city needs to make to reduce, mitigate, and prevent poverty in Edinburgh.

The Commission is an independent group, chaired by Jim McCormick of Joseph Rowntree Foundation and made up of 12 people with experience of tackling poverty and its effects, including citizens who have direct experience of living in poverty in Edinburgh. If you would like to know more or get involved please visit our [website](#), or follow us on twitter using #edinpovertycommission.

Throughout 2019 commission's process of inquiry is structured around three inter-related phases of work:

- **Phase 1: Pockets** – addressing the pressures that keep incomes low and living costs high for people in Edinburgh. This phase took place from January to April 2019.
- **Phase 2: Prospects** – exploring what we can do to improve the wellbeing and life chances of people in poverty. This phase takes place from May to August 2019.
- **Phase 3: Places** – defining steps the city can take to create well-designed, affordable, and sustainable places in Edinburgh. This phase will take place between September and November 2019.

After each of these phases the Commission will publish its findings so far, and give its first thoughts on the actions Edinburgh should consider to address the issues it has discussed. Following a further

session in **November 2019**, the Commission will draw these findings together and publish its recommendations on the actions the city should take forward to solve poverty in Edinburgh. These will include actions for the public sector, the third sector, businesses, and communities across the city. Throughout this process, the work of the Commission is supported by the **Edinburgh Partnership**, and the **City of Edinburgh Council**, both of which bodies have committed to acting on the final recommendations made by the Commission.

Our work so far

During phase 1, in February and March this year, the Commission started its work to visit and hear from citizens and organisations in the city to gain a first-hand insight into the reality of low income in Edinburgh.

Talking to
people

Talking to
service
providers

Public call for
evidence

Learning from
research

We have heard from organisations such as the **Carnegie UK Trust** and **Scotcash** about affordable credit; from **CHAI** and the **Granton Information Centre** about advice services. We heard from **DWP** and **City of Edinburgh Council** about how the benefits system is working in Edinburgh now that we are transitioning to Universal Credit. We also heard from citizens working within the **hospitality and arts industry**; one of the biggest employers in Edinburgh, and met volunteers at, and citizens who rely on, **foodbanks** in the city.

Commissioners have also been keen to take opportunities to work with and learn from other colleagues across Edinburgh who are working to tackle poverty in the city. This has included learning from the findings of projects such as **EVOC's Mind the Craic** programme, and participating in a number of conferences. So far this year Edinburgh Poverty Commission members have attended and led discussions at an **Edinburgh College** conference on poverty and further education in Scotland, the **annual 1in5 conference** on child poverty and attainment in Edinburgh, and the Edinburgh launch of the annual **Homelessness Monitor Scotland** report hosted by Crisis Scotland.

Alongside these meetings, visits, and conferences, our work included a **public call for evidence** to gather views of citizens and organisations in Edinburgh on the drivers of poverty in Edinburgh, and the impact it has on people's lives. That call for evidence, which will be repeated again through each phase of the Commission's work, brought forward 54 responses from organisations and individuals across the city.

As a further strand of work, the phase 1 period has also seen the commissioning of a programme of commissioned research into the experience of poverty in Edinburgh among communities across the city. This work, which will be carried out by the **Poverty Alliance**, will include focus groups and one to one interviews with citizens over the next few months.

What did we learn?

Call for evidence submissions

In our call for evidence we asked people to tell us what factors trapped people into low incomes in Edinburgh, what essential things cost too much, and what the impact of these factors and costs had on people's well being. This section provides a summary of the issues people raised through this discussion. A complete analysis of findings is provided as an appendix to this paper.

Issues raised by respondents can be summarised across a number of key factors, including:

- **Low pay, work and skills:** Low paid work, and a lack of opportunity to progress to more hours or higher paid jobs. A reliance on zero hour contracts and unstable income and work opportunity. Difficulties in accessing new skills or learning opportunities due to health issues, caring responsibilities, or other barriers.
 - *“Zero hours contract – causes uncertainty/anxiety. Impacts negatively on mental health and can cause social isolation”*
- **High living costs:** including high and rising cost of private rents, high childcare costs, cost and availability of food (particularly fruit and vegetables), cost of transport, heating, and electricity.
 - *“my rent goes up yearly but my wages don't”*
 - *“Lack of jobs for single parents which have suitable hours to suit the school day, unaffordable childcare for working families.”*
- **Health and disability:** Long term sickness, mental health and physical disabilities were highlighted as factors trapping people in low income. This can be partly because it prevents people from gaining or remaining in employment, a lack of opportunity to develop skills or careers, or because of the higher living costs associated with disability.
- **Social security:** including the impact of benefits cuts, and benefits caps, as well as barriers to accessing benefits – such as literacy, awareness, stigma.
 - *“Cuts in benefits are forcing some people into limited lives of just surviving.”*
 - *“Benefits being stopped and debts accumulating from this. Having to use credit to get through the month and the impact of continually having to pay this off.”*
- **Support services:** Respondents highlighted that there is a lack of support or advice available to help people out of low income, including support to reduce living costs, access benefits, and support to raise skills or access work.
 - *“The lack of social care being provided means carers cannot go out to work or depend on help to maintain their caring role.”*
- **Stigma and discrimination:** Respondents highlighted inequality of opportunities, stigma associated with being on benefits or in low income, and discrimination as barriers to people trying to increase their income.
 - *“Basically, if your parents can't afford to fund your early years, you likely can't get a good job later - you won't be able to take on unpaid internships or possibly even go to university. This seriously cuts access to jobs.”*
 - *“Sometimes people are discriminated against just of the area they live in often find it difficult to get better jobs.”*

Evidence from visits and discussion sessions

Work and Low Pay: In addition to call for evidence submissions, our discussions with workers and employers told us that:

- In sectors such as hospitality, the biggest driver of in-work poverty in Edinburgh is insufficient and unpredictable hours of work, as well as low wages. Security of hours and income for workers is critical.
- Large numbers of workers rely on zero hours contracts. This means that shifts can be cut at short notice, hours and pay fluctuate significantly from month to month, incomes for workers are precarious and volatile making it difficult to manage household budgets and meet costs without going into debt.
- In these sectors, employee safety is a commonly cited concern – particularly for workers travelling home after late night shifts.
- Childcare is a particular challenge – in terms of affordability alongside low pay and volatile incomes, and fitting childcare around the times people need to be available for work. In some sectors and roles it is considered *‘practically impossible to be a parent’* and maintain employment.
- All these pressures make it difficult for workers to develop a career and skills, while constant insecurity puts pressure on workers mental and physical health.
- Within this context, we also heard about the profound impact that ‘fair work’ practices can have for employees and employers. These include examples of employers who commit to:
 - Paying a full living wage, no zero hour contracts, no unpaid trial workers, clear written contracts, clear rights and responsibilities, holiday pay, full tip retention for staff, free taxi travel for late night workers.
- In many cases this approach amounts to a practice of ‘treating staff as family’, building trust between workers and employers, leading to a more committed workforce, easier staff retention and development, and more productive workplaces.

Affordable Credit: Our discussions and visits told us that:

- Affordable credit can be an important tool to help people on low income to manage budgets, deal with unexpected costs, particularly alongside volatile or unpredictable income flows.
- But traditional high street lenders alone cannot fill the needs of all sectors of the market. There is a need for a strong mixed economy of credit providers, ranging from banks and traditional lenders, to low, and mid market lenders, and even including licensed high cost lenders where necessary.
- The alternative is to accept a market which leaves segments of the population with no choice but to borrow from unregulated, irresponsible lenders, with all the cost and illegal practices associated.
- Credit Unions have an important part to play in this mix. 100 Credit Unions in Scotland advance an average of £300m loans each year, and do important work in promoting saving.
- Alongside these, the mid market sector of lenders is an area identified as being in most need of development, with Community Development Finance Institutions (CDFIs) being one approach to providing mid market affordable credit. These institutions serve clients not

provided for by other lenders, using the availability of loans to provide a wrap around service including:

- Flexible agreed repayment plans which respond to changing circumstances of clients (including benefits changes)
 - Welfare advice, energy advice, access to grants, access to benefits, employability and other advice services
 - Referrals to other lenders (including Credit Unions) where that is in the best interest of the client.
- Even when such services are available, however, evidence still points to a growing number of people who will not be able to access credit from market providers.

Social Security: Our discussions and visits told us that:

- Universal Credit full service began in Edinburgh in November 2018.
- Key challenges for citizens in the new system include – delays to payments, difficulty in making online claims, lack of support for vulnerable citizens, and access to bank accounts for claimants who do not have a current account.
- In addition to these, a key challenge in Edinburgh remains the complexity and scale of private rented sector caseloads. In particular, local housing allowance rates have not kept pace with rent increases in the city, leaving families at risk of rent arrears.
- An estimated 10% of all Universal Claimants will – due to skills or other access issues – not be able to make claims online. As such, more investment is needed in telephone claim lines, and in face to face support options for claimants.
- From April 2019 more support will be available for vulnerable clients to help make and maintain Universal Credit claims.
- In addition to DWP benefits, City of Edinburgh Council also have responsibility for a number of locally administered benefits and crisis funds.
- Among these, Council Tax Reduction Scheme, and Discretionary Housing Payments are among the most under claimed benefits in the city.

Advice and Information: Our discussions and visits told us that:

- Advice and information services, provided by organisation such as CHAI, Granton Information Service, CAB, and others, operate across the city providing support and advice to citizens
- Core service offerings include advice and support on welfare rights, benefits eligibility, housing advice and tenancy support, income maximisation, homeless support amongst a range of other services.
- The profile of clients supported includes those on low, unpredictable incomes, often in complex cases involving combination of mental health, disability, literacy, or other issues.
- Providers describe an increasing number of repeat clients for services, this pattern arising as a result of the challenge of managing complexity of income uncertainty, amid benefits changes and increasing reliance on zero hours contracts.
- Evidence from providers suggests that services have most impact and are most sustainable when closely aligned to the circumstances of clients, and when a holistic approach can be provided, linking advice on issues such as health and employability alongside other support.

- Locating advice services in community facilities already trusted and used by communities is a key to success, with examples of co-location in schools, GPs and Health centres cited by providers.
- Income maximisation services show particular evidence of high impact on households when provided alongside a whole family approach to advice and support. The results of one recent pilot showed an increase in income of £90,000 across 13 families secured in 6 months of working – an average benefit of almost £7,000 per family.
- Such services help demonstrate evidence of significant levels of eligible benefits currently unclaimed by families in Edinburgh.
- Service challenges include:
 - A complex mosaic of funding sources, with providers often reliant on short term funding streams and a lack of lack of certainty over long term offer for clients
 - A mosaic of service offering across the city which is difficult for clients and advisors to navigate
 - Resources – advisor time is stretched with consequences on delays and waiting times for vulnerable clients in need of support.
 - Frustrations on impact - even when clients claim all the benefits available, providers not this is often still not enough for families to reach a sustainable income level (due to benefits freezes, poverty premium, and cost of living rises).

What do we need to know more about?

As the work of the commission moves on to its next phase, it will continue to gather evidence and pursue discussions raised in this first phase of inquiry. In particular, through the next few months we are keen to:

- Learn more about the unique way the low pay, low securing economy works in Edinburgh, drawing in insight from more sectors, including care, construction, and others.
- Learn more about what other cities, in Scotland and elsewhere, have done to invest in affordable credit, advice and information, or promote fair wages and fair working practices.
- Hear more about people’s experience of the stigma associated with poverty in Edinburgh, and the impact it has on wellbeing
- Hear more about what level of income we think is 'enough' in a city like Edinburgh? Do we think there is a need for an 'Edinburgh weighting' to take account of high and rising cost of living in the city?
- Hear more about what more Edinburgh can do to make sure that support services in place to address the effects of poverty are designed and co-created by the people they aim to support.

First thoughts on actions

From these discussions we have developed some first thoughts on the actions Edinburgh should consider to address the issues we have heard so far. Our final recommendations will not be presented until the end of our inquiry later this year, so it should be noted that these represent very early outputs from our work. They are presented now as questions we would like the city to consider, to help us gather more input, and to provoke more discussion to help us form a forward plan on the steps Edinburgh should take to reduce, prevent, and mitigate against poverty.

Following the responses we receive now, and the new evidence we gather over the next phase of our work, the Commission will publish a second set of findings and interim actions for consideration later in Summer 2019. The findings and feedback from all three phases of our work will be used to inform the recommendations and actions the Commission will publish following its November 2019 meeting.

Work and Low Pay

What can, and what should Edinburgh do to:

1. Identify and challenge examples of exploitation wherever it occurs in Edinburgh's economy?
2. Amplify the positive stories, and champion fair work practices in Edinburgh, including taking good practice from projects such as the 'fair fringe charter' for application in other sectors?
3. Invest and develop childcare provision in Edinburgh in ways that are accessible and affordable for workers in low pay, working unpredictable hours?
4. Learn from cities such as Dundee and their commitment to sign up as a 'Living Wage Place'?
5. Make better use of public sector levers – such as procurement, licensing and regulatory powers, community benefits clauses – to promote and embed fair work practices in Edinburgh?

Affordable Credit

What can, and what should Edinburgh do to:

1. Develop and raise awareness of the importance of affordable credit in a well working local economy, so that no one is left to rely on unregulated, illegal lenders?
2. Promote financial literacy and responsible borrowing in Edinburgh?
3. Develop resources and toolkits to help citizens find out about and access the credit options that best fit their needs?
4. Promote and sign post clients to affordable, responsible lenders through advice and information services?
5. Lower that cost of entry/operation for mid and low cost credit providers in Edinburgh?

Social Security

What can, and what should Edinburgh do to:

1. Change cultures, and improve trust and respect in the treatment of benefit claimants in Edinburgh?
2. Address 'myths' and misunderstanding about benefits eligibility, and to tackle stigma associated with claiming benefits?

3. Promote awareness of rights and eligibility, and to encourage people to make full claims for the benefits they are entitled to?
4. Fully fund and resource personal budgeting support, to ensure citizens have a trusted intermediary to go to for help in making and managing their claims?

Advice and Information

What can, and what should Edinburgh do to:

1. Make sure advice services are available and accessible to citizens in need, and co-designed by the people who use them?
2. Co-locate advice services in facilities closest to the citizens who need them?
3. Simplify and clarify the offering of advice services across the city, so that everyone in need of support receives the best the city has to offer, regardless of where they live?
4. Improve funding for advice provision, maximising access to good quality advisors, allowing innovations in approach and delivery?
5. Provide more sustainability, and long-term certainty in funding to advice providers?

Further Information

For more information or to let us know your thoughts on our findings so far, and the questions we raise in this paper, please get in touch with us at:

strategyandinsight@edinburgh.gov.uk

Or join the conversation on twitter using #edinpovertycommission.

Appendix 1: Poverty in Edinburgh

What is poverty?

Poverty means not being able to heat your home, pay your rent, or buy essentials for your children. It means waking up every day facing insecurity, uncertainty, and impossible decisions about money.

For this analysis we adopt a definition of relative poverty after housing costs as our baseline. The relative income poverty line is set at 60% of UK median household income after housing costs, adjusted for family size. It changes each year according to changes in median income. As an illustration, for a couple with 2 children in Scotland, this threshold is the equivalent of £21,100 per annum.

Almost anyone can experience poverty. Unexpected events such as bereavement, illness, redundancy, or relationship breakdown are sometimes all it can take to move into circumstances that then become difficult to escape.

What the numbers tell us?

- Poverty rates in Scotland are rising, following a decline in the early 2000's.
- Levels of in-work poverty have risen rapidly in recent years - 59% of all working adults in poverty, and 66% of children in poverty live in households where at least one adult is in work.
- An estimated 82,000 people in Edinburgh live in relative poverty, some 16% of the total population of the city.
- These rates vary considerably between electoral wards across the city, from as low as 5% in some areas, to as high as 27% in others.
- Even amongst the poorest households, earnings from employment account for around 40% of household income. The proportion of household income from earnings exceeds that from social security payments for around 80% of the population
- In Edinburgh, data show average incomes significantly higher than the Scottish average, but confirm wide variations both between and within areas of the city.
- In some parts of the city the most affluent 10% of households record annual incomes 9 times higher than those of the poorest 10%.
- The gender pay gap across all workers is estimated at 25% in Edinburgh, while 14% of all residents (38,000 people) work for hourly pay rates below the UK living wage.
- In the period to 31 December 2018, 395 households were affected by the benefits cap in Edinburgh with an average weekly loss of benefit of £80.41.
- An estimated 9% of Edinburgh residents are rated as 'over indebted', while 9% find it 'very difficult to cope' on their current income. 12% of families said their financial circumstances worsened in the past 12 months, compared to 16% who saw an improvement.

Appendix 2: Call for evidence – Summary of findings

This report provides a summary of results to an online consultation carried out on behalf of the Edinburgh Poverty Commission, between February – March 2019. The consultation was hosted on the city's [Consultation Hub](#) and invited individuals and organisations across the city who have experience of living with, or support people facing poverty to consider a number of questions:

1. What are the factors that trap people in Edinburgh in low income, and how do they impact on people's lives and wellbeing?
2. What essential things cost too much for people in Edinburgh on low incomes?
3. What prevents people being able to increase their household income, or reduce their living costs?

In total, there were 54 responses received (45 Consultation Hub responses and 9 emails) which included a mix of individual and organisational responses. A summary of feedback to each question is provided in more detail below.

Question 1: What are the factors that trap people in Edinburgh in low income, and how do they impact on people's lives and wellbeing?

Respondents commented on a range of factors which they believe trap people in low income in Edinburgh. Clearly, these factors can have distressing consequences for some. Comments suggest that being trapped in low income can lead to struggles to pay bills, including paying for necessities such as food, heating or clothes. Often, people in this situation are having to choose between such necessities. This can also lead to debt, increased use of foodbanks, isolation, homelessness, problems with raising children, including education, health and child neglect. It can also lead to crime, addictions and substance misuse. This can all have a detrimental effect of both physical and mental health. It can deprive individuals of the feeling of self-worth. The necessity of living from day to day, to make ends meet, causes a barrier to plan for the future and generates a lack of life opportunities.

Factors trapping people in low income are complex and appear to be closely interlinked. However, for the purposes of this report the more common themes arising are discussed in more detail below.

Low pay

Low paid employment is considered a main factor that traps people in low income. Comments suggest that the working income can be less than what people would get on benefits. Also, the rise in living costs are outpacing the rise in wage. Opportunities for individuals to get into higher paid employment appear to be limited for some. Barriers to higher paid employment exist, e.g. lack of education, skills, high childcare costs, lack of flexible working hours, associated mental health issues and lack of support. A vicious circle can be seen. Comments included:

“my rent goes up yearly but my wages don't.”

“Cost of living not comparable with wage rises”

“Low pay, that is lower than the Real Living Wage. This affects people's confidence and self-worth, as society often equates financial value with actual value. This has a huge impact on their mental health and entire approach to life.”

“Poorly paid work - low wages, high cost of rent/housing, high cost of childcare. Which results in low self esteem, precarious work with low development and career opportunities leading to poor mental health. These families are more likely to have other co existing health problems and not have sick pay and be more likely to lose their work or be suffering from presenteeism.”

High rental prices of housing / Lack of affordable housing

The lack of affordable housing is a considerable factor, highlighted by respondents, trapping people in low income. There is limited social housing capacity and the cost of privately rented or temporary accommodation can be very high and continuing to rise. This can have serious detrimental impacts on quality of life as more income is used to pay for rental costs and less is available for necessities, such as clothes, food, heating, etc. Often, people in this situation are having to choose between such necessities. The cost of buying a house is also too high for many, meaning they are trapped by the higher rental costs. Living in temporary accommodation can inflate the issue of being trapped in low income even more so by inflating living costs. These factors can all be closely linked to homelessness.

Examples of comments, include:

“Having to pay high rent as if in private rented accommodation, the rents are fast outpacing peoples ability to pay, if in low-paid jobs, and not in either council or housing association accommodation.”

“The city itself doesn't have enough houses for everyone, which has skyrocketed market prices. This means that people will be subject to paying massively inflated rent and/or mortgages with their limited wages and receiving a poorer quality house for said price. This will have an adverse effect on the quality of life for the households, as more income is being used on overpriced property, which means less income is available to purchase other essentials and amenities.”

“The cost of renting privately in Edinburgh continues to rise, and it is now beyond the reach of most people on low incomes even if they are working full-time. This obviously leads to increased pressure on social housing, which in turn puts increased pressure on temporary accommodation, and the people who often end up suffering the most are those who are homeless. I have witnessed the homelessness situation in Edinburgh significantly worsening over the last few years, and at this point homeless people are likely to have to stay in temporary accommodation for about two years before they are allocated a house. This is far too long a wait for individuals and families who are often already vulnerable.”

“Lack of affordable housing- a mortgage costs far less per month to pay than private sector rent for example- but house prices on the market are far above average wages making buying out of many peoples reach- rent prices are rising and eviction is possible even likely leading to

prolonged insecurity and 'working to pay rent alone' with little or no money for other essentials (clothes, food, transport, leisure and health)- if people could afford to buy this would change this trend"

"We believe that the lack of affordable housing options (such as social rented accommodation) in Edinburgh traps people in private rented accommodation which is often too expensive for them, and which can lead to rent arrears and their ability to afford other essentials, as well as risking homelessness."

*"Case study: Amanda (*name has been changed) is a single mum based in Edinburgh who became homeless due to rent arrears that accrued as a result of the benefit cap. She and her children have been in a Premier Inn for 2 weeks. There are no cooking facilities available in her current accommodation meaning she is having to pay for a lot of expensive takeaways, putting her under even more financial strain."*

Benefit system

Benefit cuts in benefits can have a major impact on people and thus trapping them in low income by not having enough to support themselves and/or their families. The benefit cap to two children is an issue that has been raised. Also, there appear to be barriers to people accessing benefits, such as, literacy. It has been highlighted that there is a lack of support enabling people to transition from benefits to employment. Some people have commented on being better off on benefits due to low paid employment not providing enough income.

Comments included:

"Cuts in benefits are forcing some people into limited lives of just surviving. Health also and so mental capacity to learn will be affected."

"From what I have experienced in schools it is a mainly a lack of access to benefits. This can be for a combination of reasons, photocopyers for evidence of benefit, EAL or literacy meaning an inability to complete the forms. I have seen evidence of this mainly with our young people in schools. Lack of clean or suitable clothing including, coats and suitable shoes."

"Single family's living on low incomes as soon as you start work you are hit with anything over the cap amount is then taken back for rent anything over the 70% is taken. You are not better off. It works out around £30 "better off " they say. £30 won't pay for much and the stress of housing benefit system then puts them in rent arrears. As a working single mum who was made redundant while on maternity leave to my 3rd CAPPED child. Has now found myself stuck. Don't get any money for 3rd child so feeding 3 children on 2s money. Job centre didn't know how to help get me back to work not one person could advise me on back to work coz no help with 3rd child. Appointments pointless waste of time. Had to contact a charity to see if they could help. You are putting families into deeper poverty. Not all family living in Edinburgh are the same. Though some people find them self in a rut with no help out. You now have child

with less food, clothing, gas. There is no interest in the wellbeing of low income families. Food banks are keeping people fed.”

“Benefits being stopped and debts accumulating from this. Having to use credit to get through the month and the impact of continually having to pay this off.”

“The cap is particularly damaging for people’s housing security as when a family exceeds the arbitrary threshold of the cap, the first benefit to be reduced is their housing benefit or Universal Credit housing costs element. This more often than not results in affordability issues, rent arrears and risks homelessness. “

“Being better off on benefits- this can mean not substantially financially better off but more 'time rich' to care for children, relatives and build a consistent family network of support and tend to own care needs- working can mean being better off, just, but with added pressures on family commitment and self-making it a 'time poverty' issue”

“Difficult to go from benefits to full employment. There is no adequate safety net to catch a person and their financial burdens as they transition from workless to employed – fear at feeling trapped in situation.”

Zero-hour contracts / Unstable employment

Lack of secure employment is a key factor trapping people in low income. Zero-hour contracts mean individuals can be working at one point and not the next. This can lead to a reliance of benefits, debt, and unable to pay for necessities and bills, as well as a contributor to mental health issues.

Comments include:

“Insecure terms and conditions at work (e.g. zero hour contracts)”

“Changes to the benefits system where people can work for 16 hrs only and cannot increase their hours without losing benefits but cannot give up benefits because their jobs are insecure or zero contracts”

“Prolific use of zero hour contracts when person wants fixed term permanent – no security so are on and off of benefits.”

“Zero hours contract – causes uncertainty/anxiety. Impacts negatively on mental health and can cause social isolation”

Poor health / Disabilities

Long term sickness, mental health and physical disabilities have been highlighted as factors trapping people in low income. This can be partly because it prevents people from gaining or remaining in employment, there is a lack of opportunity or because of the higher living costs associated with this. Examples of comments included:

“Mental or physical health issues preventing people from being able to work”

“On-going health problems including mild / moderate mental health issues”

“Lack of diverse opportunities (e.g. single parents, older workers, people with past convictions, people with disabilities)”

“The disabled and long-term sick are one of the most disadvantaged groups, with nearly half living in severe financial hardship, facing 25% higher living costs. For example, a disabled person with restricted mobility faces enhanced costs of heating a home they spend more time in and are twice as likely to experience fuel poverty as non-disabled people.”

Lack of training / education / skills to access higher paid jobs

Lack of training, education or skills can severely limit an individual’s chance to move into higher paid employment, thus, trapping them in low income. The comments below provide some examples:

“Education. I could have titled this 'Expectations' or 'Limits'. Education offers the opportunity to move out of the current expectations. I think there isn't enough effort made by the education services. Effort is made. But there are too many limited, fixed ideas rather than seeing that people have maximum potential. There is a change needed to how education is framed.”

“lack of Education - lack of support to re-educate people as to their situation, its causes, supports and potential routes out of it (if one can see a situation as occurring in a wider structural context then change in individual circumstances becomes possible with support, signposting and routes out of poverty”

“A background of poverty, low educational achievement and low expectations”

“There are jobs available in the city, but the jobs require skilful workers, which most of them, [people on low income], have no access to the relevant training or education.

“Lack of education or finances to create a higher income. This traps people and effects their well-being, I think people with these problems do not get to experience a good quality of life as they are always worried about finances.”

Childcare (high childcare costs / inflexible childcare)

High childcare costs and restrictive working hours can lead to being stuck in low income. There can be a lack of jobs with suitable hours to work around childcare or, on the other hand, a lack of affordable childcare to allow people back into employment. Comments included:

“Lack of jobs for single parents which have suitable hours to suit the school day, unaffordable childcare for working families.”

“Unaffordable and inflexible childcare can lead parents to being stuck in low paid work as their ability to secure higher incomes is dependent on their childcare arrangements. For many though, the cost of childcare is unaffordable and remaining unemployed is the more financially viable solution”

“fixed term job contracts, high childcare costs/ care responsibilities/ very little help or financial support for 'average' families where both parents work in average paid jobs, have a mortgage and childcare costs to pay and are just over the threshold for tax credits, cannot claim housing benefit etc - it leads to hidden poverty. The impact on wellbeing is constant uncertainty leading to the feeling of lack of security, not being able to plan long term and having to focus on day-to-day survival without having the luxury to make long term plans about the future and perhaps improve your prospects by entering education/ changing qualification in order to increase your income. It feels like the system is especially designed to prevent people from helping themselves and taking an active role in shaping their lives.”

Lack of support services

Respondents highlighted that there is a lack of support or advice available to help people out of low income. For example:

“Lack of suitable help/opportunity from the community, council and government trap people in a low income and creates a negative living environment”

“The lack of social care being provided means carers cannot go out to work or depend on help to maintain their caring role.”

“Limited networks to support into/through work”

“Insufficient access to flexible advice and support services to help people out of low paid employment/underemployment”

Caring responsibilities (single parent, more than one person in family)

It is clear that those on low income who have caring responsibilities can find it difficult to improve this situation. Some examples of comments included:

“Single parent families who are working and in private housing with very high rent are struggling to afford the necessities having to choose between heating a home or eating being left with very little money after the bills are paid being made to feel inadequate and unable to provide the basics such as food and a warm home, clothing,”

“No money to travel bus fares are decent but if more than one person in family its expensive having to buy supermarket own brand food and no extra for treats for kids”

“Only having one wage coming in but having to pay a mortgage. Never having a penny left at the end of the month. Having no help with costs of school trips, so my children miss out. Not even being able to go to the pictures or meet friends for coffee, impacts on well-being. Never being able to afford a holiday. Constant worry about unexpected bills.”

Other:

Other factors which were highlighted upon trapping people in low income included having debts, addictions, cost of transport to allow travel to school, work, support services or for leisure. Lack of access to training, having a background in poverty, or lack of confidence can all be limitations to escaping low income.

Question 2: What essential things cost too much for people in Edinburgh on low incomes?

The top five comments in relation to the question of “What essential things cost too much for people in Edinburgh on low incomes?” include:

- Rent/mortgage
- Food
- Transport
- Living costs, including heating and electricity
- Entertainment, including leisure activities such as gym and swimming.

Rent and mortgage costs

Some people felt that short term lets and Airbnb were pushing up costs within the city. Some respondents said that conditions in rental accommodation were poor, particularly when the high costs were taken into account.

Food

Food was mentioned in around half of the responses. Quite a few of these made particular reference to fresh fruit and vegetables being expensive to access.

Transport

Transport was another area that people mentioned as being costly, this related to both public transport and fuel costs, a number of people mentioned that this included travel to and from work.

Living costs

Heating and electricity were another top response and some people mentioned that this could result people disconnecting in order to save money.

Other areas mentioned were council tax, clothing – including clothes for interviews and new job costs, childcare, school costs – this included costs of clothes, activities, and lunches. People commented it could also be a struggle to cope with rising food costs when children were out of school.

Phone bills, toiletries, dental services, care of elderly, haircuts, parking, internet and Christmas presents were also mentioned.

Question 3: What prevents people being able to increase their household income, or reduce their living costs?

There are a range of factors that prevent people from being able to increase their household income, or reduce their living costs. Themes are similar and connected to those highlighted in the previous sections of this report. What is apparent, as described by one respondent, is that, “every person is different, every person has a unique set of circumstances that means they are stuck on low income”.

The main themes arising include:

- **High rental prices of housing / Lack of affordable housing -**

Rent has been increasing and is outpacing the rise in pay, particularly low paid employment, giving people little opportunity to increase their household income. There is also a lack of social housing to move from high private lets.

- **High cost of living, including heating, food, clothes, travel -**

There is a continual rise in the cost of living which, again, is outpacing the rise in pay. The naturally prevents people being able to increase their income. Airbnb has also been commented on as a factor driving up rental prices and causing a lack of affordable long-term accommodation. One person commented,

“the wages of average jobs do not keep up with the cost of inflation or cost of living which has risen steadily ahead of inflation for decades. This means working becomes only a means to survival and not prospering- there is nothing left to say go on holidays with your children”

- **Low paid jobs / static wages / lack of career progression -**

Again, as mentioned previously, low paid job and static wages which do not keep up with the living costs are a barrier to increasing income.

- **Lack of job security and zero-hour contracts -**

Similarly, the lack of secure and long-term employment makes it difficult to commit to plans to improve income, e.g. taking on mortgages, investing in training, education, etc.

- **Unable to access education or training -**

This is closely connecting to other barriers as low pay, lack of stable employment, caring responsibilities, work pressures, etc act as a barrier to accessing further education or training opportunities.

“Money - some people don’t have the spare money to be able to give them more options to increase their incomes” and

“Not having the opportunity to upskill or get qualifications as they are stuck in the benefit trap.”

- **High childcare costs and caring responsibilities -**

As highlighted previously, the cost of childcare can be too high for some and many people do not have family networks to provide support. However, it is not only parents facing barriers, this can include carers of older relatives, people with disabilities, etc. Comments included:

“Those who have children and would be better off on benefits rather than working and paying for things like childcare, uniform, school lunches and everything else, say that this leaves them with no choice but to remain on benefits. This can lead to long lasting poverty as the years that pass make it even more difficult to get back into work.”

*“Caring for elderly parents/disabled children/people with dementia/
lack of help for carers in their caring role”*

- **Lack of support/advice, e.g. budgeting, lack of skills/awareness/literacy**

The lack of support and advice came through as a main theme. Individuals are not often aware that they are paying too much for services like heating. A lack of literacy or numeracy skills can prevent people from getting themselves out of these situations. For example:

“People on low incomes are less likely to be ‘active consumers’, switching suppliers and shopping around. This is partly due to a lack of access to ‘enabling goods’ that give consumers advantages such as a bank account or internet access. Save the Children’s research shows low-income families are the least likely to investigate cheaper tariffs and switch suppliers.”

- **Other –**

Lastly, other factors which prevent people from being able to increase their income include, health issues, debt, poor work-life balance, being unable to plan for future due to commitments or lack of disposable income to invest in future. Discrimination, stigma and unequal opportunities was a theme that highlighted upon. Comments included:

“Lack of equal opportunity. Basically, if your parents can't afford to fund your early years, you likely can't get a good job later - you won't be able to take on unpaid internships or possibly even go to university. This seriously cuts access to jobs.”

“Sometimes people are discriminated against just of the area they live in often find it difficult to get better jobs.”