## Updated Poverty Profile of West Lothian - 2023

## 1. Introduction - West Lothian Poverty in Context

In 2023, the profile of West Lothian tells us that the demographics of poverty are changing. There are now fewer people claiming out of work benefits and more people in employment than when the first anti-poverty strategy was developed in 2012. Since 2016/17 West Lothian wage growth has been consistently strong and overtaken the Scottish average, in comparison to the Scottish level where slow wage growth has been identified.

Underemployment and insecure jobs continue to be key factors for the working age population creating potential for higher levels of 'in work poverty'.

Local unemployment is around 3% of the general working age population. This rate is 0.5% below the Scotland average and 1.0% below the UK average. The tightening of labour supply and an ageing workforce can be seen as an opportunity for local people to retrain and up-skill.

The latest official child poverty data for Scotland shows that the majority of children living in poverty are in households where someone works.

The number of pensioners claiming means tested top-up benefit Pension Credit has noticeably decreased in West Lothian since 2012, and has continued to fall over the last five years. This may be due to lack of awareness of entitlement or reluctance to claim as there is an estimated £5.3 million unclaimed Pension Credit in West Lothian alone. There is some emerging evidence of increased post-retirement working at the highest rate since the beginning of the pandemic in 2020.

- 20% of the West Lothian population experience some form of financial hardship
- 5% are living in more extreme poverty
- 23.9% of children in West Lothian are living in poverty. Scottish average is 24.5%
- 18% of West Lothian households are in fuel poverty. 9% of West Lothian households are in extreme fuel poverty. 24% of Scottish households are in fuel poverty
- 21% of Scotland's population (1,110,000 people each year) were living in relative poverty after housing costs in 2019-22. Before housing costs, 19% of the population (1,000,000 people) were living in poverty.
- Unemployment is currently 2.7% of the general working age population and 4.8% for 18-24 year olds
- The West Lothian unemployment rate is 0.5% below Scotland average and 1.0% below UK average
- 3,200 people in West Lothian are receiving Jobseekers Allowance or Universal Credit and are searching for work
- 0.73 jobs available per working age person
- 91,300 of West Lothian working age population (77%) are in employment
- Average weekly pay for full time employment is £634.50 or £33,174 per year (residents)
- Scottish averages FT are £640.3 weekly pay and £33,311 per year
- 18% of West Lothian working residents earn below the living wage level of £10.90 per hour
- West Lothian has 22 data zones in the 15% most deprived in Scotland
- 29,500 people in West Lothian receive state pension. 3,800 (12.7%) receive Pension Credits to ensure a minimum income, which is the same as the Scottish rate.

#### 2. Economic Picture - Cost of Living Crisis

Many Scottish households are struggling financially. The Scottish Consumer Sentiment Indicator Survey's latest <u>results</u> for Q2 2023 (July) shows respondents generally consider their household financial security to be in a worse position, and consumers currently feel less relaxed about spending money than 12 months ago. Recent <u>research</u> from Citizens Advice Scotland finds that as well as cutting back on essentials, the cost of living crisis has forced people to stop leisure and social activities. 41% of people in Scotland have given up a social activity due to financial pressures.

Inflation (CPI) decreased to 6.7% in the 12 months to August 2023. This was driven by lower gas and electricity prices. Food inflation (CPI) eased to 13.6% in August compared to 14.9% in July. Core inflation, excluding volatile energy and food prices, decreased to 5.9% in August from July at 6.4%. However, owner occupiers' housing costs inflation has increased to 4.8% in August from 4.5% in July – this is up from 3.8% in January, and 3.5% one year ago in August 2022.

It is now anticipated that inflation will fall at a slower pace than had been previously expected. Forecasts from the Bank of England <u>released in August 2023</u> estimate that inflation will be around 5% at the end of 2023. The Bank of England expects inflation to continue to fall significantly, largely due to a reduction in energy bills and higher interest rates. The Bank forecasts that inflation will meet its 2% target by mid- 2025.

According to the latest Institute for Fiscal Studies (IFA) Report - Living standards, poverty and inequality in the UK: 2023, a steadily growing proportion of low-income households are in the private rented sector, while the share in social housing has declined, as has (in more recent years) the share who own their own home. Younger generations of low-income individuals are now especially likely to be renting privately. Facing higher housing costs, renters are considerably more likely than owner-occupiers to have low living standards on a variety of measures. Social and private renters have estimated poverty rates of 46% and 34% respectively, compared with 12% for owner-occupiers. They are also far more likely to be materially deprived or to live in food insecurity. The percentage of net income spent on housing, fuel and food is considerably higher for households in the lowest three income deciles compared to those with higher incomes. Lower income households are likely to spend almost three times as much of their budgets on gas and electricity as the highest-income tenth on average (11% versus 4%).

Fraser of Allander's latest <u>economic report</u> highlighted that with the recent announcement from Ofgem that July's price cap was to drop to £2,074 for households, down from £3,280 in April of this year, there were signs of optimism that when the energy price guarantee ended in June, that consumer bills would not be as high as originally expected. However, with persistently high food prices, the consensus is that the once cost of energy crisis is now very much a cost of food crisis, with many households unlikely to feel much benefit from the drop in the energy price cap. Results from the latest ONS <u>Opinions and Lifestyle survey</u> estimates that 62% of the most deprived fifth of UK households were spending less on food and essentials to combat increases in the cost of living. The latest <u>Consumer Insights Tracker</u> also found that 27% of respondents had skipped or cut down the size of their meals as they could not afford to buy food.

The significant cost increase for households are also not being met by equivalent increases in earnings for the majority of households across the UK. Growth in employees' average total pay (including

bonuses) was 6.5% in the three months to April 2023, and 7.2% in regular pay (excluding bonuses). This remains among the highest seen outside of the pandemic period for regular pay. Given this wage suppression caused by higher inflation, many individuals have turned to credit as a way to top up households' incomes. UK individual borrowing rose by £0.1bn to £1.6bn in March 2023.

In August 2023, the Bank of England raised interest rates by 0.25 percentage points to 5.25%, and the BoE has kept the <u>same rate for September</u>. While the rate remains on hold for now, many economists expect the Bank of England policy rate to stay high well into 2024. The current economy remains fragile, and BoE could still raise rates further, to a possible peak of 6% by the end of the year.

It remains clear that mounting economic pressures from the last year in the form of high levels of inflation and rising interest rates are continuing to challenge both the public and businesses alike.

## 3. Employment and Economic Activity

The population of working age in West Lothian of 118,900 has continued to increase since 2011 and it is projected to increase by 5.9% up to 2029 (Scotland will increase by 1.8%). This does not take account of changes to the retirement age.

Latest estimates indicate that 91,300 or 77% of the working age population are in employment (compared to 74.7% for Scotland). Within this total there are 84,800 employees (72%) and 6,400 self-employed (4.8%). The latest estimated jobs density for West Lothian is 0.73 jobs available per working age person.

## Unemployment

- The headline Claimant Count based unemployment is currently 3,200 or 2.7% (August 2023)
- The Model based unemployment estimate is 2,700 (2.9%)
- The Youth unemployment level based on 18 to 24 year-olds claiming JSA and Universal Credit is 670 (4.8%) (August 2023).

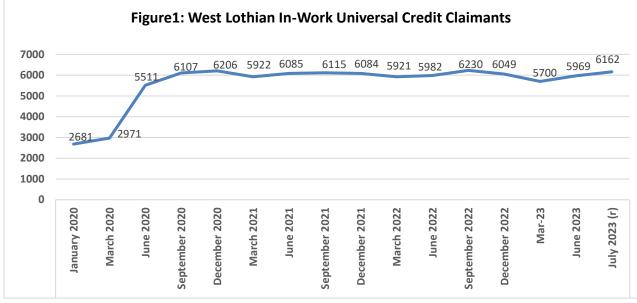
Table 1: Unemployment				
	West Lothian (numbers)	West Lothian (%)	Scotland (%)	Great Britain (%)
Claimant Count	3,200	2.7	3.2	3.7
Model based unemployment	2,700	2.9	3.5	3.6
Youth claimant count (18-24)	670	4.8	4.5	4.9

Source: ONS/NOMIS

There is continued economic concern on the impacts of the cost of doing business crisis and the cost of living crisis - while inflation is falling, it is at a slower rate than anticipated. Job postings in Scotland mid-year remain relatively high at 50,100 nationally, but demand is easing: July 2023 saw the number of job postings decrease by 15% compared with June, and by -36% compared to the previous year. The Bank of England expects inflation to fall to 4.9% by the end of 2023. Reflecting the weak mid-term Gross domestic product (GDP) growth forecast, which is the main measure of UK economic growth,

BoE is also now expecting higher unemployment than previously forecasted, with UK unemployment rate expected to rise in 2024 (around 4%), and to gradually increase to reach just under 5% by 2025/26.

#### In-work claimants



Source: DWP, StatXplore

People who were in work but required financial support from Universal Credit (UC) as their income was not sufficient, has increased by 130% between January 2020 (2,681 claimants) and July 2023 (6,162). At the end of 2022/23, in-work claimants made up 5.1% of the West Lothian working age population (April 2023). The rate remains relatively unchanged at 5.2% in July 2023. The level of in-work claims have remained consistently high since the start of the Covid Pandemic, and have shown little change until the current period. 6.7% of working-age females were in-work UC claimants. 3.6% of working age males were in-work UC claimants. Wards with highest in-work claimant rate were: Whitburn & Blackburn 1,050 (0.9%), Livingston South 862 (0.7%), and East Livingston & East Calder 797 (0.7%)\*. Underemployment and insecure jobs are key factors for creating potential for higher levels of 'in work poverty'. The current Cost of Living crisis has seen increased inflation, with higher costs of food and energy, house mortgage and rent increases, and wages failing to keep up with inflation. Low earners are also much more likely to work volatile hours or have an insecure contract.

\*Rates calculated on total number of claimants in each ward as a percentage of total resident working population of West Lothian.

#### Working Age Economically Inactive

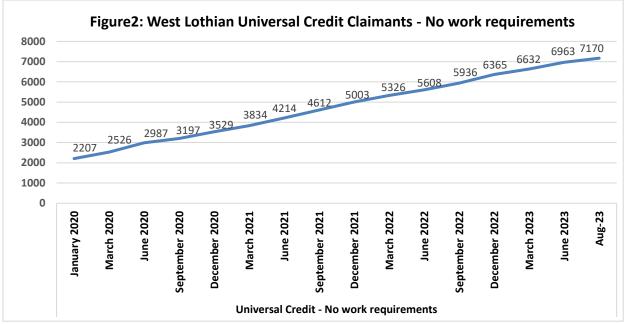
Table 2: Working Age Economically Inactive (Apr 2022-Mar 2023)							
	West Lothian	West Lothian	Scotland	Great Britain			
	(Numbers)	(%)	(%)	(%)			
TOTAL	24,600	21	22.6	21.6			
Student	5,200	21	24.2	26.3			
Looking After Family/Home	4,300	17.3	16.8	19.7			
Long-Term Sick	8,700	35.2	31.1	26.5			
Retired	4,100	16.8	14.2	13.3			
Wants A Job	5,100	20.9	19.9	18			
Does Not Want A Job	19,400	79.1	80.1	82			

Source: ONS, Annual Population Survey

During the latest ONS estimate for the year to March 2023, discounting those who have retired, around 18,200 were identified as economically inactive which translates to 15.3% of the working age population in West Lothian.

For those claiming Universal Credit, the largest increase seen over the past few years has been in the 'No work requirements' group, which comprises people who cannot do paid work due to health conditions or caring responsibilities. This group has increased significantly by around 5,000 (225%) since the pre-Covid period (taken from January 2020). This group represents 42% of the total UC caseload in August 2023.

The number of working-age adults who are out of the labour market, known as "economically inactive" because of long-term sickness, has been rising since 2019. This rise in long-term sickness started before the coronavirus (COVID-19) pandemic, but since the pandemic hit the UK in early 2020, the number of people out of work because of long-term sickness has risen significantly. While symptoms of long COVID may not be the only contributor to increased long-term sickness, the pandemic's wider impact on health is still likely to be an important factor. Nationally, the number reporting mental illness rose an estimated 22% between 2020-21. Other potential impacts include National Health Service (NHS) waiting times and an ageing workforce.



Source: DWP, StatXplore

#### Low Income Employment and Zero Hours

Table 3: Low Pay Employment and Zero Hours Contracts						
LGBF Family Group 3	Low pay (% of employees) 2021	Zero-hour contracts (% of employees) 2021				
Angus	16.1	3.2				
Clackmannanshire	10.8	*				
Midlothian	11.1	*				
South Lanarkshire	9.9	0.8				
Inverclyde	13.5	1.0				
Renfrewshire	9.8	2.1				
West Lothian	11.6	0.9				
East Renfrewshire	6.3	1.8				
Edinburgh and South East Scotland City Region	11.4	2.3				
Scotland	11.4	2.2				

*Source: ONS, Job Quality Indicator Tables,* Annual Population Survey (APS) 2021 *Note: Low pay compares an employee's hourly pay against two-thirds of the median hourly pay of all employees.* 

This is the first time low paid employment and zero hours contracts have been estimated at local authority level. West Lothian's estimated proportion of Low Paid employees is close to the national and city region rates, while the proportion of employees on a zero hours contract is lower than the regional and national rates. Using the estimated proportion of employees against the total estimated number of those in employment in West Lothian (91,300), this might translate into just over one in ten West Lothian residents in low paid jobs (10,600) and less than 1% (800) experiencing zero-hours contracts.

#### Low Income Employees

There is no breakdown of sub-groups of low pay employees at local authority level, however at UK level it was established that:

- Disabled employees were more likely to be in low pay (17%) than non-disabled employees (12%).
- By sex, the proportion of employees in low pay was highest for disabled females (19%) and lowest for nondisabled males (9%).
- By education, employees with no qualifications were most likely to be in low pay (21%), whereas employees with an undergraduate or a higher degree were least likely to be in low pay, at 8% and 5% respectively.
- Younger employees were more likely to be in low-pay employment, with 36% of employees aged 16 to 20 years categorised as in low pay. This is because you must be at least 23 years old to receive the National Living Wage. The National Minimum Wage also decreases by age for those under 23 years. After the 16 to 20 years age group, the proportion of employees in low pay dropped until 35 to 44 years, before gradually increasing again.
- Women were more likely to be in low pay than men in all age groups. Given women are more likely to be in part-time employment, this helps to explain why a higher proportion of women are in low pay.
- The lowest earning employees also tend to be part-time, and work in the accommodation or food service industry. Part-time employees were also more likely to be in low-pay employment (22%) compared with full-time employees (10%).
- By occupation, employees in elementary occupations, such as delivery operatives (28%), sales and customer service occupations, (26%) and caring, leisure, and other service occupations (24%), were most likely to be in low pay employment. Employees in professional occupations were least likely to be in low-pay employment, at 4%.

#### Zero Hour Contracts

Zero-hour contracts i.e. contracts that do not guarantee a specific number of hours, are neither an indicator of a "good" nor a "bad" job, as different employees have different preferences for work arrangements. Again, there is no breakdown of sub-groups of zero hour contracts at local authority level, however at UK level it was established that:

- Women were slightly more likely to be working zero-hour contracts than men (3% and 2% respectively).
- Disabled employees were also more likely to be on zero-hour contracts (4%) than nondisabled employees (3%).
- Part-time employees (8%) were far more likely to be on zero-hour contracts than full-time employees (1%).
- Employees aged 16 to 20 years were significantly more likely to have a zero-hour contract (15%), after which the proportion of employees on zero-hour contracts dropped sharply, before picking up again for employees aged over 65 years (5.5%). The higher proportion of younger workers on zero-hour contracts could be driven by the student population, with students more than three times more likely to be on zero-hour contracts (7.5%) than non-students (2.2%)
- When broken down by industry, 14% of employees in the accommodation and food services industry were on zero-hour contracts.
- Finally, over half of employees on zero hour contracts were in low pay (51%), whereas 16% of workers on non-zero-hour contracts were in low pay.

## 4. Unclaimed benefits

The UK Government's Department of Work and Pensions stopped publishing take-up rates for various benefits such as working age Housing Benefit, Income Support and income-related Employment and Support Allowances (with the exception of Pension age credit data) in <u>January 2022</u>.

However, the Scottish Government still undertakes estimates of the percentage take-up of Scottish benefits delivered by Social Security Scotland. While these indications are only available at Scottish level, they still provide some indication on levels of different benefits and support take up.

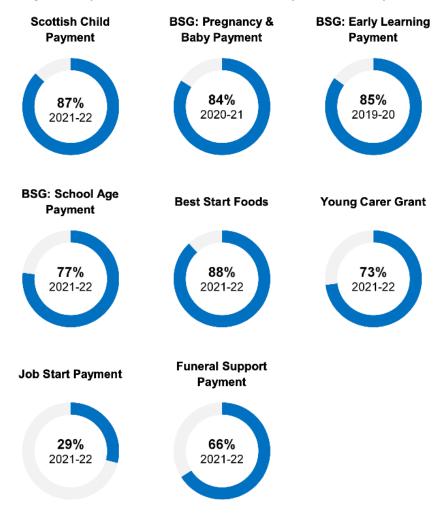


Figure 3: Percentage take-up of Scottish benefits delivered by Social Security Scotland

Source: Scottish Government, Take-up rates of Scottish benefits: October 2022

The estimated take-up rates for Scottish Child Payment, Best Start Grant and Best Start Foods – the 'Five Family Payments' – are generally higher than the other Scottish benefits. This could be because there are more opportunities to reach people eligible for the five family payments than the other Scottish benefits. For example, the Scottish Government's interim evaluations of Scottish Child Payment, Best Start Grant and Best Start Foods found clients learned about them through a variety of channels. Social Security Scotland proactively promotes the benefits through a range of online and offline channels. Clients are invited to make a combined application for all of the five family payments, which then leads them to apply for the others they were previously unaware of, increasing take-up.

More than seven in ten (73%) people estimated to be eligible for Young Carer Grant claimed the payment in 2021-22. This has risen slightly on the previous year.

Less than a third (29%) of eligible young people took-up their entitlement to Job Start Payment in 2021-22. This was the lowest take-up rate estimated of any Scottish benefit and similar to the estimated take-up rate for 2020-21. An evaluation of the payment suggested a number of possible reasons why take-up is low, including a lack of awareness of the benefit and its eligibility rules, and otherwise eligible applications being rejected due to clients' inability to provide suitable evidence of job offers.

Funeral Support Payment was claimed for around two thirds (66%) of eligible deaths in 2021-22. The take-up rate has increased from an estimated 49% in the previous financial year (2020-21). Although the number of claims remained fairly consistent between the two years, there were more eligible deaths in 2020-21 due to the economic impacts of the pandemic as more people become eligible for support. The increase in take-up between the two years could be partly influenced by increased promotional activity for the benefit.

Ensuring that families can access all of the Scottish Social Security support to which they are entitled is a legal duty and fundamental priority of the Scottish Government. The second <u>Benefit Take-up</u> <u>Strategy</u>, published in October 2021, sets out how the Scottish Government is working to ensure people can access the support they are entitled to, and is built around five core principles.

- 1. Prioritising person-centred approaches
- 2. Communicating and engaging effectively
- 3. Bringing services to people
- 4. Encouraging cross-system collaboration
- 5. Continuously learning and improving

#### 5. Pay and in-work poverty

Table 4a: Earnings by place of residence						
	West Lothian	Scotland	% difference			
Gross Annual pay - Full-time workers	£33,174	£33,311	-0.4%			
Gross Annual pay - Part-time workers	£13,626	£12,848	5.7%			
Gross Weekly pay - Full-time workers	£634.5	£640.3	-0.9%			
Gross Weekly pay - Part-time workers	£239.0	£236.7	1.0%			
Gross Hourly pay - Full-time workers	£16.66	£16.67	-0.1%			
Gross Hourly pay - Part-time workers	£11.35	£11.75	-3.5%			

Source: Annual Survey of Hours and Earnings 2022

Table 4b: Earnings by workplace							
	West Lothian	Scotland	% difference				
Gross Annual pay - Full-time workers	£33,184	£33,332	-0.4%				
Gross Annual pay - Part-time workers	£14,456	£12,882	10.9%				
Gross Weekly pay - Full-time workers	£634.1	£640.5	-1.0%				
Gross Weekly pay - Part-time workers	£282.9	£237.5	16.0%				
Gross Hourly pay - Full-time workers	£16.06	£16.69	-3.9%				
Gross Hourly pay - Part-time workers	£11.72	£11.78	-0.5%				

Source: Annual Survey of Hours and Earnings 2022

Gross wage levels for West Lothian (both residence and workplace) are generally just below the Scottish levels. The exception to this is part-time employment where annual and weekly pay for both

residents and within the local job market are higher. Certain sectors that are more likely to employ individuals on a part-time basis such as the Retail and Hospitality sectors, have experienced difficulties in recruiting staff over the last couple of years. It is possible that wage levels have increased to encourage applicants and ensure employee retention.

There remains a significant wage gap between Males and Females, as illustrated below, although West Lothian wage levels are below the Scottish level, the pay gap is the same with females in full-time employment earning 90% of males.

Table 4c: Gross weekly pay by place of residence – male and female						
	West Lothian	Scotland				
Gross Weekly pay - Male Full-time Workers	£677.1	£675.1				
Gross Weekly pay - Female Full-time Workers	£606.6	£604.7				
Female pay as % of Male	90%	90%				

Source: Annual Survey of Hours and Earnings 2022

Part time jobs in West Lothian represent 28.6% of total jobs (compared with 28.2% in 2019 and 32.9% in 2017). The West Lothian level of part time jobs is also lower than the 33.6% recorded for Scotland and 31.9% for GB.

#### In-work poverty

- An estimated 18% of West Lothian working residents earn below the living wage level of £10.90 per hour compared to 14.4% for Scotland as a whole.
- Similarly, approximately 20% of jobs located within West Lothian pay hourly rates below the living wage level which is the same as Scotland (also around 20%).
- Approximately 5,700 children are found in West Lothian working households that are in receipt of Working Tax Credit.
- There area approximately 5,500 families with children in West Lothian that are claiming Working Tax Credit, supporting around 9,700 children.

## 6. Household Income Estimates

Local level household income estimates were produced for the Scottish Government for the primary purpose of assessing housing affordability and housing need. The latest available data is for 2018/19, but still provides some indications of income levels at data zone levels.

Latest estimates for average gross disposable household income (after housing costs) suggests that median income per household in West Lothian in 2018/19 was approximately £580 per week (around £30,200 per annum). These averages obviously mask considerable variations between areas and households.

As a measure of relative poverty, a household is said to be in relative low income if their net disposable household income is below a threshold set at 60% of median income. An estimated 18% of West Lothian Households had income of 60% less than the Median (i.e. households with an income under 60% of the median value of £580 per week after adjusting for size of household).

Datazone Names	Median Weekly
	income
Whitburn War Memorial	£282
Whitburn Whitdale School	£283
Livingston Dedridge West	£306
Livingston Ladywell Banks South East	£314
Uphall Station West	£322
Livingston Ladywell Banks Central	£325
Livingston Eliburn South East	£326
Armadale Drove Road	£327
Greenrigg East	£330
Livingston Deans South	£331

#### Table 5: Median Household Income Estimates – 10 DZs with lowest median weekly income

Source: Scottish Government, Small Area Income Estimates 2018/19

#### 7. Measuring Poverty at a Local Level - Scottish Index of Multiple Deprivation (Area based deprivation 2016 SIMD in Relation to West Lothian)

The 2020 SIMD has 22 West Lothian Datazones in the 15% most deprived in Scotland, an increase of 6 from 2016. There are 37 West Lothian Datazones in the 20% most deprived in Scotland a decrease of 1 from 2016. There has therefore been a number of datazones moving into the most deprived 15% from the 15-20% range with a slight decrease in total datazones in the most deprived 20%.

Looking at the movements of West Lothian datazones, there appears to be a trend of worsening income domain scores in some datazones. This can reflect aging population, with a contracting working age and an increase in those in low paid employment. Overall, however, the number of West Lothian datazones in the most deprived 20% in Scotland has fallen since 2016.

Area	Datazones in	zones in Datazones in Datazones in 2016		azones in Datazones in Datazones in 2016 Data		Datazones in
	2009	2012		2020		
Addiewell & Loganlea	1	1	1	1		
Armadale	3	2	3	3		
Bathgate	6	5	3	4		
	(3 in Boghall)	(2 in Boghall)	(0 in Boghall)	(1 in Boghall)		
Blackburn	5	4	4	5		
Blackridge	1	0	1	0		
Bridgend	1	1	1	1		
Broxburn	0	0	0	1		
Fauldhouse	3	3	2	3		
Livingston	11	11	15	13		
Polbeth	2	1	1	0		
Stoneyburn	1	1	1	1		
Uphall	0	0	1	1		
Whitburn	4	4	5	4		
East Calder	1	0	0	0		
TOTAL WEST LOTHIAN	39	33	38	37		

Table 6: Change in distribution and number of data zones in most deprived 20% category
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The distribution of deprived data zones across West Lothian fits that seen in other indicators of poverty with more datazones in the West of West Lothian being found in the most deprived 20%. Over time there is relatively little movement in number of datazones by town with a small fall in Bathgate and Boghall being the most significant difference from 2009.

## 8. Children and Families

#### **Children in Low Income Families**

	2017/18	2018/19	2019/20	2020/21	2021/22
Armadale and Blackridge	18.2%	16.3%	18.6%	16.5%	21.0%
Bathgate	16.1%	15.7%	15.9%	13.4%	19.0%
Broxburn, Uphall and Winchburgh	15.2%	16.5%	18.4%	16.0%	20.3%
East Livingston and East Calder	16.2%	16.5%	16.9%	16.2%	17.8%
Fauldhouse and the Breich Valley	20.6%	20.9%	25.6%	20.2%	27.4%
Linlithgow	6.7%	8.0%	8.0%	6.1%	6.9%
Livingston North	15.4%	16.4%	17.9%	15.6%	20.4%
Livingston South	17.9%	19.8%	19.5%	15.8%	20.4%
Whitburn and Blackburn	21.9%	23.7%	23.0%	20.2%	25.1%
West Lothian	16.6%	17.3%	18.2%	15.6%	19.9%
Scotland	18.0%	17.9%	18.9%	16.0%	20.8%
United Kingdom	18.0%	18.2%	19.3%	18.7%	20.1%

Table 7: Children i	n Low Income Familie	es in West Lothian

Source: DWP, Children in Low Income Families (Relative Low Income), financial years ending (FYE) 2015 to 2022.

In 2021-22, the latest estimate indicates that one fifth of children (aged 0-15) living in West Lothian are in a low-income household (19.9%). This figure is slightly lower than the Scottish and UK rates. The general trend in both West Lothian, and Scotland has been a slow increase over the last five years. Ward areas with the highest proportion of children in low-income families are Fauldhouse and the Breich Valley (27.4%) and Whitburn and Blackburn (25.1%).

## **Child Poverty**

23.9% of children were living in poverty in West Lothian in 2021/22 (compared to the Scottish national average 24.5%). If we compare this to other local authorities in our local authority family group (*Local Government Benchmarking Framework*), we can see that over an eight year reporting period from 2014/15 to 2021/22, there's been an increase in the proportion of children in poverty across all local

authority areas. Looking at all 32 local authorities, only four have seen a small decrease during this period. West Lothian Council is below the Scottish average, but has increased by 2.6% points since 2015. If we compare reported % rates 2015 to 2022, it's proportionally up by 12.1% (compared to Scotland up by 13.3%). Figures have remained high both locally and nationally with around one in four children living in poverty.

	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
Scotland	21.6%	22.8%	23.4%	24.2%	23.2%	24.3%	24.6%	24.5%
Clackmannanshire	24.2%	25.5%	26.0%	27.3%	26.1%	27.3%	23.9%	28.3%
Fife	23.6%	25.0%	25.0%	26.0%	25.5%	26.4%	22.1%	26.1%
Dumfries and Galloway	23.3%	25.3%	24.8%	26.4%	25.0%	26.7%	22.9%	26.0%
Falkirk	22.7%	23.2%	23.5%	24.3%	23.8%	24.8%	21.5%	25.3%
South Ayrshire	22.7%	23.5%	24.2%	24.6%	24.6%	24.8%	20.6%	24.4%
West Lothian	21.3%	22.1%	23.0%	23.8%	22.9%	24.6%	21.1%	23.9%
Renfrewshire	19.3%	20.4%	21.3%	22.8%	21.9%	23.1%	19.5%	23.3%
South Lanarkshire	21.5%	22.4%	22.5%	23.5%	22.5%	23.1%	19.6%	22.8%

#### Table 8a: Percentage of Children in Child Poverty

*Source: UK Gov - DWP/HMRC Local Child Poverty Indicators 2021/22 (calibrated to the regional Households Below Average Income (HBAI) statistics)* 

#### Table 8b: Children in Poverty – Percentage changes by LGBF comparative family group

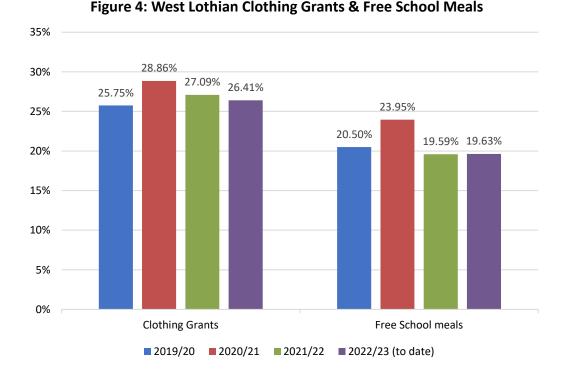
Local Authorities	Percentage point change (2015-22) 8 years	Percentage change over 8 years*	Percentage point change (2017-22) 5 years	Percentage change over 5 years*	Percentage point change (2017-22) 3 years	Percentage change over 3 years*
Scotland	2.9%	13.3%	0.3%	1.2%	0.2%	0.8%
Clackmannanshire	4.1%	16.7%	1.0%	3.7%	0.9%	3.4%
Renfrewshire	4.0%	20.8%	0.6%	2.4%	0.2%	1.0%
Dumfries and Galloway	2.7%	11.7%	-0.4%	-1.4%	-0.6%	-2.4%
Falkirk	2.7%	11.7%	1.0%	4.3%	0.6%	2.3%
West Lothian	2.6%	12.1%	0.1%	0.6%	-0.7%	-3.0%
Fife	2.5%	10.7%	0.1%	0.5%	-0.2%	-0.9%
South Ayrshire	1.8%	7.8%	-0.2%	-0.7%	-0.4%	-1.7%
South Lanarkshire	1.3%	6.1%	-0.6%	-2.7%	-0.2%	-1.0%

Source: UK Gov - DWP/HMRC Local Child Poverty Indicators 2021/22 (calibrated to the regional Households Below Average Income (HBAI) statistics) \* Percentage proportional change, is the calculated proportional increase or decrease of the % rate over time.

In consideration of what key factors may be linked to child poverty in local areas there are a number of possible contributory factors that may have contributed to sustained levels of child poverty:

- UK Government policy on child related benefits have continued their policy limit to the first two children in a family. The policy has been active since April 2017.
- In-work poverty the in-work Universal Credit claimant count increased by 130% between January 2020 and July 2023. At the end of 2022/23, in-work claimants made up 5.1% of the West Lothian working age population (April 2023).
- Lone parents households children in lone parent families where the parent is in work are particularly vulnerable to the impact of the two-child benefits limit; in such families, more than half of children are estimated to be in poverty.
- The Covid Pandemic also had some impact in the shorter term on low income families. During the Pandemic, the Advice Shop saw increasing numbers of individuals seeking advice and support related on money issues and budgeting. These were attributed to the effects of the removal of the Universal Credit £20 uplift, and Covid related reduced working hours / furlough due to lockdowns resulting in drops in income levels, and loss of earnings on zero hours contracts within the gig economy.

The reporting period for Child Poverty does not yet cover the period of the Cost of Living crisis and persistently high inflation which has continued through 2022 and 2023. It's expected that in the next year's data, the child poverty situation across the UK will almost certainly have worsened, however this may be mitigated to some extent in Scotland by the extra financial help being made available to families with children via the Scottish Child Payment which was rolled out in November 2022 to families with children under 16, to provide £25 per week per child.



## 9. Free School Meals and Clothing Grants

Source: West Lothian Council data.

# ^^ This data was taken from a CPP report in March 2023 – if the figures for 2023-24 have changed with the end of the financial year, and you have the latest data, then we can change this graph.

While take up of Clothing Grants and Free School meals appeared to peak in 2020-21, with a slightly lower uptake in subsequent years, it is likely that the Cost of Living Crisis will have an impact on household financial security during 2023-24. This is likely to impact families with low incomes, and possibly drive an increased take-up of grants this year.

With the introduction of free school meals for all pupils in P1 to P3, primary school data does not provide a particularly accurate picture of the incidence of disadvantage. However, free school meal data at secondary school level demonstrates a pattern of deprivation that we see in other measures of poverty such as SIMD and Benefit claimant statistics. For example, Inveralmond with the highest level of Free School Meal registrations has a catchment which includes Craigshill and Ladywell.

Table 9: Free School Meal Entitlement 2022					
Secondary School	Pupils registered for Free School Meals	% registered for Free school meals			
Armadale Academy	172	16			
Bathgate Academy	168	16			
Broxburn Academy	128	14			
Deans Community High School	207	22			
Inveralmond Community High School	270	27			
Linlithgow Academy	106	8			
St Kentigern's Academy	236	19			
St Margaret's Academy	169	16			
The James Young High School	153	14			
West Calder High School	192	21			
Whitburn Academy	208	25			
West Lothian	2,009	18			

Source: Scottish Government, School Healthy Living Survey 2022

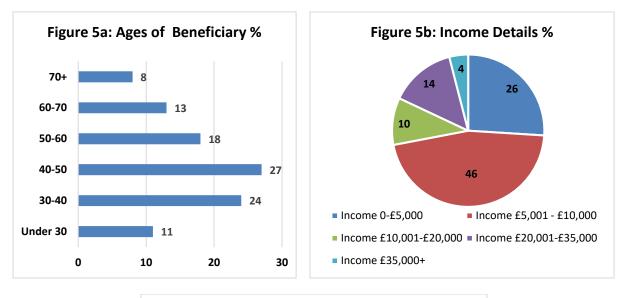
#### **10. Food Insecurity**

The West Lothian Food Network was formed in Spring 2020 and is now composed of 47 organisations all aiming to support low income households who face food insecurity. The distribution across the Network includes a combination of cooked food, emergency food parcels, specific foods to meet the requirements of BAME groups, and access to fresh, frozen and ambient foods as well as providing toiletries, cleaning products, baby food and pet food.

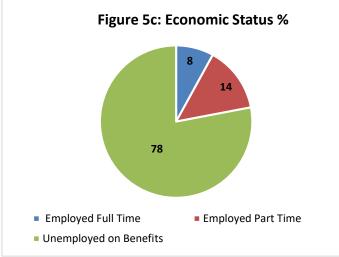
The majority of households accessing community food providers since October 2022 indicate it is because they are financially at risk, on a low income and/or unemployed. In comparison to last year, there has been a 13% increase in the number of people accessing network services. It is expected that this demand for food support will remain for some time due to the on-going pressure on household budgets, slow wage growth, real term cuts to social security benefits and the increase in living costs.

In the latest data available (Q1 2023), Network members provided food support to 3,859 people. Those using the service are most likely to be between the ages of 30-50 years with over three quarters of those supported being unemployed and/or on benefits (78%). Over a third of those accessing food

support are single adults (36%) followed by two-adult households (20%). The majority of those using the service have an income of 20,000 or less (82%), and of that, over half of those supported have an income of £10,000 or less (52%).







Source: West Lothian Council / West Lothian Food Network data

#### **11. Fuel Poverty**

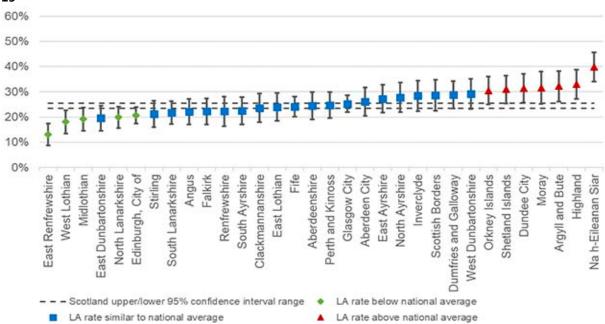


Figure 6a: Percent Dwellings in Fuel Poverty by local authority compared to Scotland. SHCS 2017-19

Source: Scottish Government, Scottish House Condition Survey: Local Authority Analysis 2017-2019

In the period 2017-2019, the fuel poverty rate varied from 13% in East Renfrewshire to 40% in Na h-Eileanan Siar compared to the average in Scotland of 24%. West Lothian was among five local authorities that had significantly lower fuel poverty rates than the national average, these were: West Lothian (18%) compared to East Renfrewshire (13%), Midlothian (19%), North Lanarkshire (20%) and City of Edinburgh (21%). Seven local authorities had significantly higher fuel poverty rates than the national average, these were: Na h-Eileanan Siar (40%), Highland (33%), Argyll and Bute (32%), Moray (32%), Dundee City (31%), Shetland Islands (31%) and Orkney Islands (31%).

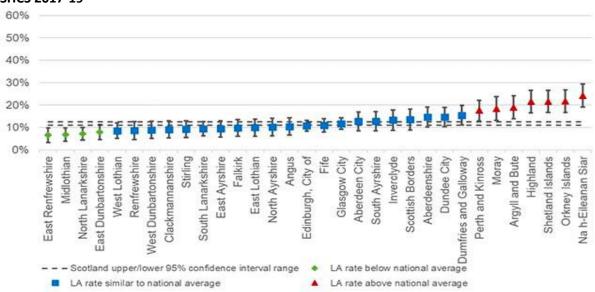


Figure 6b: Percent Dwellings in Extreme Fuel Poverty by local authority compared to Scotland. SHCS 2017-19

Source: Scottish Government, Scottish House Condition Survey: Local Authority Analysis 2017-2019

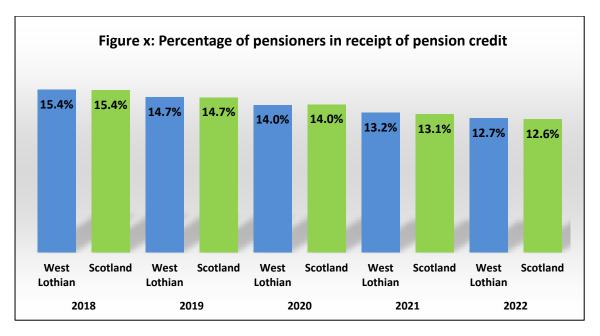
In the period 2017-2019, the extreme fuel poverty rate varied from 7% in East Renfrewshire to 24% in Na h-Eileanan Siar compared to the average in Scotland of 12%. West Lothian was among six local authorities that had significantly lower fuel poverty rates than the national average, these were: West Lothian (9%) compared to East Renfrewshire (7%), Midlothian (7%), North Lanarkshire (7%) and East Dunbartonshire (8%).

Seven local authorities had significantly higher extreme fuel poverty rates than the national average, these were: Na h-Eileanan Siar (24%), Orkney Islands (22%), Shetland Islands (22%), Highland (22%), Argyll and Bute (19%), Moray (19%) and Perth and Kinross (18%). All of these local authorities had a greater prevalence than average of lower energy efficient properties (those rated EPC F or G).

## 12. Pensioners on Fixed/Low income

There are 29,500 people in West Lothian receiving the state pension. Of these, 3,800 (12.7%) receive Pension Credits to ensure a minimum income. This rate is equal to the Scottish level.

The number of pensioners claiming means tested top-up benefit Pension Credit has noticeably decreased in West Lothian since 2012, and take-up rate has continued to fall over the last five years. This may be due to lack of awareness of entitlement or reluctance to claim as there is an estimated £5.3 million unclaimed Pension Credit in West Lothian alone.



Source: DWP, StatXplore

There is however, emerging <u>evidence</u> of increased post-retirement working is at the highest rate since the beginning of the pandemic in 2020. This may be an indication that some older people cannot afford not to work and may contribute to the growing issue of in-work poverty.

## 13. Conclusions

The overall poverty picture outlined in this report suggests that overall West Lothian has slightly lower levels of poverty and deprivation than Scotland and Great Britain. However, a significant segment of the population experience challenging financial and material circumstances, with approximately 20% of jobs located within West Lothian paying hourly rates below the living wage level. 18% of West Lothian working residents earn below the living wage level compared to 14.4% for Scotland as a whole.

Fewer people are claiming out of work benefits and more people are in employment than when the first anti-poverty strategy was developed in 2012. Local unemployment is around 3% of the general working age population, which is below both the Scottish and UK average. However, people who are in work but required financial support from Universal Credit (UC) as their income was not sufficient, have increased by 130% between January 2020 and July 2023. In-work claimants make up 5.1% of the West Lothian working age population. Emerging evidence of increased post-retirement working is at the highest rate since the beginning of the pandemic in 2020, and may be an indication that some older people cannot afford not to work and contribute to the growing issue of in-work poverty.

Whilst unemployment and economic inactivity as a result of ill health, disabilities or caring responsibilities can contribute as key drivers to poverty, the reduction in unemployment over the last five years has been accompanied by an increase in the number of "working poor" and growth in insecure jobs and underemployment.

Since 2016/17 West Lothian wage growth has been consistently strong and overtaken the Scottish average, in comparison to the Scottish level where slow wage growth has been identified. The tightening of labour supply and an ageing workforce can be seen as an opportunity for local people to retrain and up-skill.

The majority of households accessing West Lothian Food Network community food providers since October 2022 appear to be financially at risk, on a low income and/or unemployed. In comparison to last year, there has been a 13% increase in the number of people accessing network services. It is expected that this demand for food support will remain for some time due to the on-going pressure on household budgets, slow wage growth, real term cuts to social security benefits and the increase in living costs.

The latest official child poverty data for Scotland shows that the majority of children living in poverty are in households where someone works. The latest estimate indicates that one fifth of children (aged 0-15) living in West Lothian are in a low-income household (19.9%). This figure is slightly lower than the Scottish and UK rates. The general trend in both West Lothian, and Scotland has been a slow increase over the last five years. UK Government policy on child related benefits, introduced in 2017, has continued the policy limit to the first two children in a family. Children in lone parent families where the parent is in work are particularly vulnerable to the impact of the two-child benefits limit; in such families, more than half of children are estimated to be in poverty. The reporting period for Child Poverty does not yet cover the period of the Cost of Living crisis and persistently high inflation which has continued through 2022 and 2023. It's expected that in the next year's data, the child poverty situation across the UK will almost certainly have worsened, however this may be mitigated to some extent in Scotland by the extra financial help being made available to families with children via the

Scottish Child Payment which was rolled out in November 2022 to families with children under 16, to provide £25 per week per child.

The number of pensioners claiming means tested top-up benefit Pension Credit has noticeably decreased in West Lothian since 2012, and has continued to fall over the last five years. This may be due to lack of awareness of entitlement or reluctance to claim as there is an estimated £5.3 million unclaimed Pension Credit in West Lothian alone. There is however, emerging evidence of increased post-retirement working at the highest rate since the beginning of the pandemic in 2020. This may be an indication that some older people cannot afford not to work and may contribute to the growing issue of in-work poverty.

In terms of relative levels of poverty, the pattern across West Lothian evidenced through the SIMD provides a basis for informing the targeting of interventions. Not surprisingly, the Whitburn and Blackburn area has the highest apparent levels of poverty (and the Linlithgow area having significantly lower levels than the West Lothian average). There are however local pockets of deprivation across West Lothian where higher levels of income deprivation are present.

September 2023

West Lothian Council – Planning, Economic Development and Regeneration