Updated Poverty Profile of West Lothian - 2024

1. Introduction - West Lothian Poverty in Context

In 2024, 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 2.8% of the general working age population. This rate is 0.5% below the Scottish average and 1.5% 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. Evidence also points to retired people coming back into the workforce due to cost of living pressures.

- 20% of the West Lothian population experience some form of financial hardship
- 5% are living in more extreme poverty
- 24.6% of children in West Lothian are living in poverty. Scottish average is 24%
- 70% of children in poverty live in working families
- 18% of West Lothian households are in fuel poverty. 9% of West Lothian households are in extreme fuel poverty. 31% of Scottish households are in fuel poverty in 2022
- 21% of Scotland's population were living in relative poverty after housing costs in 2020-23. Before housing costs, 19% of the population were living in poverty
- Unemployment is currently 2.8% of the general working age population and 4.5% for 18-24year olds
- The West Lothian unemployment rate is 0.5% below the Scottish average and 1.5% below UK average
- 3,325 people in West Lothian are receiving Jobseekers Allowance or Universal Credit and are searching for work
- 0.71 jobs available per working age person
- 87,200 of West Lothian working age population (74.4%) are in employment
- Average weekly pay for full time employment is £695.30 or £36,448 per year (residents)
- Scottish averages FT are £702.40 weekly pay and £35,518 per year
- 9.7% of West Lothian working residents earn below the living wage
- West Lothian has 22 data zones in the 15% most deprived areas in Scotland
- 29,836 people in West Lothian receive state pension. 3,765 (12.6%) receive Pension Credit 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 2024 shows respondents think the economy is performing better than it was 12 months ago and also expect the economy to be performing better in 12 months-time. However, respondents consider their household financial security to be in a worse position, and consumers feel less relaxed about spending than 12 months ago. A recent <u>report¹</u> shows that people have had to cut back on energy use (64%) and household heating (60%). 67% of people have also had to cut back on non-essentials with 62% cutting back on leisure activities.

Inflation (CPI) increased for the first time this year to 2.2% in the 12 months to July 2024. The largest contribution to this was from housing and household services where gas and electricity prices fell less than they did last year. Food inflation (CPI) eased to 1.5% in July 2024, the same rate as June 2024. Core inflation, excluding volatile energy and food prices, decreased to 3.3% in July 2024, down from 3.5% in June 2024. However, owner occupiers' housing costs inflation has increased to 7.0% in July 2024, up from 6.8% in June 2024. – this is up from 4.5% one year ago in July 2023.

Inflation for July 2024 has increased to 2.2% which is slightly above the Bank of England's 2% target, up from 2% in June 2024. Inflation is expected to increase again slightly in the last half of 2024 to around 2.5%, owing to impact from direct energy prices, with additional risks from geopolitical factors.

A recent <u>report</u>² from the Poverty Alliance shows more older people are finding themselves in the Private Rented Sector. 39% of older private renters live in poverty in Scotland, with more struggling to meet the cost of rising rents. Over one third (34%) of older private renters feel anxious about paying their rent and 28% have less than £200 disposable income per month after they pay rent. Half of older private renters live in fear of eviction.

According to the latest Institute for Fiscal Studies (IFA) Report - <u>Living standards, poverty and inequality in the UK: 2023</u>, 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 times³ as much of their budgets on gas and electricity as the highest-income tenth on average (11% versus 4%).

There were signs of optimism when the energy price guarantee ended, that consumer bills would not be as high as originally expected. However, from October 2024, the energy price cap is set at £1,717, a 10% increase compared to the cap set for the previous quarter (£1,568). The price cap is around 41%

¹ Understanding Scotland – Economy Tracker February 2024

² Homing in – Independent Age February 2024

³ The Cost of Living Crisis in Scotland: analytical report

higher than it was in winter 2021/22 and annual household energy costs have increased 54% since 2019 (£1,820 to £2,810).

Whilst food inflation is easing, results from ONS <u>Opinions and Lifestyle survey</u> estimated that around a third (36%) of UK respondents reported it was difficult to afford their rent or mortgage payment with 41% reporting their rent or mortgage had gone up in the last 6 months. 37% of respondents said that they were spending less on food to combat increases in the cost of living. The <u>Consumer Insights</u> <u>Tracker</u> found that 22% of respondents were worried about their household not being able to afford food in the next month and 20% were worried about there being enough food available for their household in the next month.

The significant cost increase for households are also not being met by equivalent increases in earnings for the majority of households across the UK. This is among the highest since 2021. Growth in employees' average total pay (including bonuses) was 4.5% in the 3 months to June 2024, and 5.4% in regular pay (excluding bonuses). Adjusting for inflation (using CPIH) shows an increase in real terms pay growth, with regular pay increasing by 2.4% and total pay by 1.6%. 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 to £1.8bn at the end of May 2024.

In August 2023, the Bank of England raised interest rates by 0.25 percentage points to 5.25%, and it stayed at that rate until August 2024 when they cut the base rate to 5%. The Bank of England monitored the labour market to see if it would cool sufficiently, and for wage growth to slow, to achieve a sustainable return to the 2% inflation target. As inflation returned to the 2% target, BoE have now reduced the base rate to 5%. It will continue to monitor inflation and the economic picture and is likely to make a further decision on base rate reduction later in Autumn 2024.

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 116,171 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 87,200 or 74.4% of the working age population are in employment (compared to 74.7% for Scotland). Within this total there are 78,700 employees (66.2%) and 8,500 self-employed (7.1%). The latest estimated jobs density for West Lothian is 0.71 jobs available per working age person.

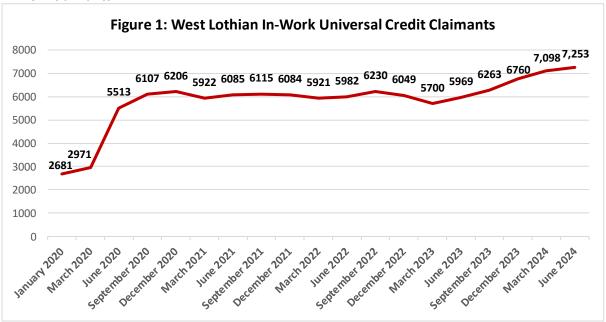
Unemployment

- The Headline Claimant Count based unemployment is currently 3,325 or 2.8% (July 2024)
- The Model based unemployment estimate is 2,800 (3.0%)
- The Youth unemployment level based on 18 to 24-year-olds claiming JSA and Universal Credit is 625 (4.5%) (July 2024).

Table 1: Unemployment				
	West Lothian (numbers)	West Lothian (%)	Scotland (%)	Great Britain (%)
Claimant Count	3,325	2.8	3.3	4.3
Model based unemployment	2,800	3.0	3.5	3.7
Youth claimant count (18-24)	625	4.5	4.5	5.2

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 has been at a slower rate than anticipated. Job postings in Scotland at June 2024 were at 40,700, down from the previous month and the previous year. Compared with May 2024, the number of postings decreased by 500 (1%). Job postings were down 31% compared with June 2023. The GDP growth has strengthened since the start of 2024, increasing by 0.7% in Q1, reversing the fall in output in the second half of 2023 which ended the year in recession (two successive quarters with no growth). The Bank of England now projects the overall UK unemployment rate to rise slightly by the end of 2024, and to gradually increase in the longer term to reach around 4.7% by the end of 2025.





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 171% between January 2020 (2,681 claimants) and June 2024 (7,253). At June 2024, in-work claimants made up 6.1% of the West Lothian working age population. The rate has increased from 5.0% in June 2023. The level of in-work claims remained consistently high since the start of the Covid Pandemic, plateauing at around 6,000 claimants until March 2023 when the level of claimants began to increase again. 8.2% of working-age females were in-work UC claimants. 4.2% of working age males were in-work UC claimants. Wards with highest in-work claimant

rate were: Whitburn & Blackburn 1,154 (1%), Livingston South 1,008 (0.9%), and East Livingston & East Calder 937 (0.8%)*. 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.

The Universal Credit managed migration is now underway and it has been reported that less than half of legacy benefit claimants across the UK who have received a managed migration notice have made a claim for Universal Credit. In West Lothian, the Move to Universal Credit programme started in September 2023 for tax credit only claimants and was expanded in April 2024 to claimants in receipt of Income Support. The programme has been rolled out further to people in receipt of other legacy benefits in a phased approach from July to September this year, with an aim to have the exercise complete by the end of 2025.

To date 2,320 legacy benefit claimants in West Lothian have received migration notices and of these, 2,010 have been sent at least one reminder. In total, 1,560 Universal Credit claims have been made following migration notice, of which 1,250 were made before the deadline day meaning that maximum protection was secured for only 53% of those affected.

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

Table 2: Working Age Economically Inactive (Jan 2023-Dec 2023)										
	West Lothian	West Lothian	Scotland	Great Britain						
	(Numbers)	(%)	(%)	(%)						
TOTAL	25,900	21.8	22.2	21						
Student	7,900	30.5	25.3	26.8						
Looking After Family/Home	4,900	18.9	16.8	19.3						
Long-Term Sick	5,000	19.3	31.6	27.2						
Retired	2,900	11.2	14.1	13.4						
Wants A Job	4,600	17.9	16.5	17.6						
Does Not Want A Job	21,300	82.1	83.5	82.4						

Working Age Economically Inactive

Source: ONS, Annual Population Survey

During the latest ONS estimate for the year to December 2023, discounting those who have retired, around 17,800 were identified as economically inactive which translates to 15% 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 6,824 (309%) since the pre-Covid period (taken from January 2020). This group represents 47% of the total UC caseload in July 2024.

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 (including depression, bad nerves or anxiety) rose by 40% (386,000) between 2019-2023 according to the Labour Force Survey⁴. In Scotland, the number of calls made to NHS 24 for a mental health concern rose from 20,434 in 2019 to 139,008 in 2022, an increase of 580%.

Results from the <u>Scottish Health Survey</u> showed that there has been an overall increase in the proportion of adults reporting two or more symptoms of depression, rising from 8% in 2008/09 to 13% in 2021/22. The proportion of adults that reported having two or more symptoms of anxiety has increased from 9% in 2008/09 to 17% in 2021/22. The proportion of adults reporting two or more symptoms of depression tended to decrease with age. The lowest levels were recorded in adults aged 75 and over (7%) and the highest were recorded in adults aged 16-34 (32%) and 55-64 (16%). The prevalence of two or more symptoms of anxiety was highest among those aged 16-36 (26%) and lowest among those aged 65-74 (7%). For those with two or more symptoms of anxiety, the difference by sex was greatest amongst the 16-24 age group, at 13% of men and 33% of women.

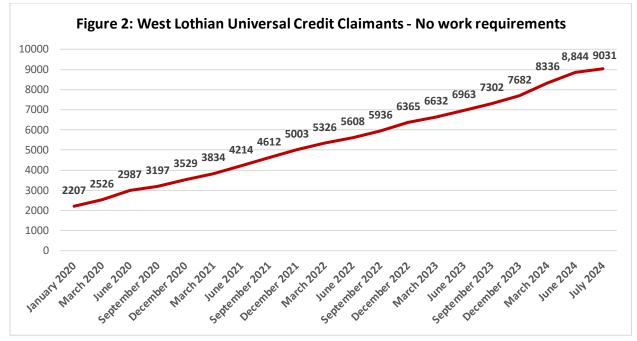
Adults living in the most deprived areas are twice as likely to have a common mental health problem as those in the least deprived areas (22% compared to 11%). Mental and behavioural disorders were the most prevalent health conditions recorded in government out-of-work benefits assessments. A <u>report⁵</u> by the Resolution Foundation shows that between January 2022 and November 2023 mental and behavioural disorders were recorded in 69% of all universal credit work compatibility assessments (WCA).

Other potential impacts resulting in economic inactivity, include increased <u>National Health Service</u> (<u>NHS</u>) waiting times and an ageing population and workforce: from age 50 onwards, <u>UK economic</u> <u>inactivity rates</u>⁶ generally increase with age. In 2023, at age 50 the inactivity rate was 12.0%, and increased to 57.3% by age 65 years.

⁴ Rising ill-health and economic inactivity because of long-term sickness, UK: 2019 to 2023. Labour Force Survey, ONS.

⁵ A U-Shaped Legacy – Resolution Foundation 2024

⁶ Economic labour market status of individuals aged 50 and over, trends over time. ONS 2023



Source: DWP, StatXplore

Low Income Employees

There is no breakdown of sub-groups of low pay employees at local authority level, however at \underline{UK} level⁷ it was established that:

- 3.7 million (one in eight) jobs paid below the real living wage.
- The gap between non-disabled and disabled workers is 14.6%, lower than last year (17%).
- Around 70% of disabled employees earn less than £15 an hour.
- Non-disabled men are paid on average 30% more than disabled women.
- 60% of low paid jobs were held by women.
- From April 2024, 21 and 22-year olds will now receive the National Living Wage. However, the National Minimum Wage decreases for those under 21 years. Almost half (48.9%) of 16-21-year-olds are low paid employees.
- Median hourly pay is £8 for 16-17-year-olds and £10.90 for 18-21-year-olds.
- 40% of 18-24-year-olds with mental health problems who were in work were in low-paid jobs compared with their healthier peers (35%).
- Part-time employees were more likely to be low paid than full-time employees (22% compared with 4.2%).
- 54% of all jobs paying at or below the minimum wage are in retail, hospitality, and cleaning & maintenance occupations.
- Low-paid jobs are highest amongst sectors like hospitality (48.1%), arts entertainment and recreation (24.7%) and retail and wholesale (23.2%). Hospitality has been the sector with the highest level of low paid jobs for 12 years.

At <u>Scotland⁸ level it was established that:</u>

• Just over 10% of workers in Scotland are locked in persistent low-pay.

⁷ Employee jobs paid below the Living Wage: 2023 - Living Wage Foundation, February 2024

⁸ Poverty in Scotland 2023 – Joseph Rowntree Foundation

- Of those trapped in persistent low-pay, 72% are women. 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.
- By aged 22-23, low attainers are more likely to earn less (difference of £23.45 per week for men, £44.94 for women) and be in low-status jobs.
- A consistent finding on in-work poverty was the undervaluation of part-time work. Findings from <u>Close the Gap</u> (2022) showed a pay gap of 32.4% between women who work part-time and men who work full-time.
- Retail, hospitality, manufacturing, health and social work, and the administration and support services are the main industries maintaining in-work poverty. Nearly 75% of people experiencing in-work poverty and 80% of people locked in low pay have someone in their family who works in one of these industries.
- Couples with children make up around 50% of families experiencing in-work poverty.
- 43% of low-paid workers reported regularly using a food bank (at least once per month).
- 39% of low-paid workers were falling behind on household bills.

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 <u>UK level</u>⁹ it was established that:

- Women were 1.2% more likely to be working zero-hour contracts than men.
- Disabled employees were also more likely to be on zero-hour contracts (4.5%) than nondisabled employees (3.4%).
- Young people are significantly more likely to have a zero-hour contract. 13% of 16-24-year olds are employed on a zero-hour contracts compared to 2.4% of workers aged over 25. Despite only being 11% of the total workforce, young workers make up 40% of workers employed on a zero-hour contract.
- Zero-hours contracts workers are more likely to get stuck in low pay and insecurity. 66% of workers have been with their current employer for over one year, 46% for over two years and 12% for over 10 years.
- Three in four (73.5%) of the record 1.1 million people (aged 16-65) currently on zero-hour contracts in the UK are in severely insecure work.
- Zero-hour contract workers in severely insecure work are most prevalent in hospitality (16.1%), arts, entertainment and leisure (6.9%) and admin and support services (3.5%).
- 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.

⁹ People in employment on zero hours contracts - Labour Force Survey, ONS.

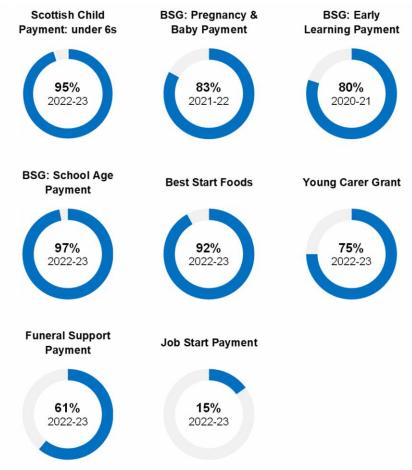


Figure 3: Percentage take-up of Scottish benefits delivered by Social Security Scotland

Source: Scottish Government, Take-up rates of Scottish benefits: November 2023

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 (75%) people estimated to be eligible for Young Carer Grant claimed the payment in 2022-23. This has risen slightly on the previous year.

Only 15% of eligible young people took-up their entitlement to Job Start Payment in 2022-23. This was the lowest take-up rate estimated of any Scottish benefit. This has dropped significantly from the previous year where take-up was estimated to be 29% for 2021-22. 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. Social Security Scotland had implemented guidance changes to address the high application denial rates including redirecting those who don't meet the eligibility criteria to call Social Security Scotland and extending the application window from 3 months to 6 months.

Funeral Support Payment was claimed for just under two thirds (61%) of eligible deaths in 2022-23. The take-up rate has decreased from an estimated 66% in the previous financial year (2021-22) but is still higher than the estimated 49% for 2020-21. There is a higher degree of uncertainty in the estimate of eligibility for Funeral Support Payment than other benefits so it is reasonable to expect variation in take-up rates year to year. Another potential reason why take-up of Funeral Support Payment is lower than other benefits is that people may make provision to cover funeral costs themselves, for example with money left in the deceased person's estate, and therefore choose not to claim the benefit. Some people may be ineligible due to the level of funds in the estate but are still included in the eligible population when calculating estimated take-up.

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 3a: Earnings by place of residence								
	West Lothian	Scotland	% difference					
Gross Annual pay - Full-time workers	£36,448	£35,518	2.6%					
Gross Annual pay - Part-time workers	£13,873	£13,442	3.1%					
Gross Weekly pay - Full-time workers	£695.3	£702.4	-1.0%					
Gross Weekly pay - Part-time workers	£267.2	£256.4	4.0%					
Gross Hourly pay - Full-time workers	£17.88	£18.16	-1.6%					
Gross Hourly pay - Part-time workers	£11.97	£12.83	-7.2%					

Source: Annual Survey of Hours and Earnings 2023

Table 3b: Earnings by workplace									
	West Lothian	Scotland	% difference						
Gross Annual pay - Full-time workers	£34,123	£35,518	-4.1%						
Gross Annual pay - Part-time workers	£15,366	£13,433	12.6%						
Gross Weekly pay - Full-time workers	£679.6	£702.8	-3.4%						
Gross Weekly pay - Part-time workers	£232.7	£254.4	-9.3%						
Gross Hourly pay - Full-time workers	£17.28	£18.17	-5.2%						
Gross Hourly pay - Part-time workers	£11.30	£12.78	-13.1%						

Source: Annual Survey of Hours and Earnings 2023

Gross wage levels for West Lothian (workplace) are generally just below the Scottish levels. The exception to this is part-time employment where annual 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 with recruitment slowing over the last quarter of 2023. 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. The pay gap in West Lothian shows females in full-time employment earn 92% of males, just below the Scottish level (93%).

Table 3c: Gross weekly pay by place of residence – male and female							
West Lothian Scotland							
Gross Weekly pay - Male Full-time Workers	£728.0	£725.7					
Gross Weekly pay - Female Full-time Workers	£671.5	£672.0					
Female pay as % of Male	92%	93%					

Source: Annual Survey of Hours and Earnings 2023

Part time jobs in West Lothian represent 28.9% of total jobs (compared with 28% in 2020 and 32.9% in 2018). The West Lothian level of part-time jobs is also lower than the 32.9% recorded for Scotland and 31.1% for GB.

In-work poverty

- An estimated 14.5% of all jobs in West Lothian pay hourly rates below the living wage. Scotland has a slightly lower rate of 12.2%.
- An estimated 9.7% of West Lothian working residents earn below the living wage compared to 14.4% for Scotland as a whole.

6. 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	Datazones in	Datazones in 2016	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

Table 4: Change in distribution and number of data zones in most deprived 20% category

Total West Lothian	39	33	38	37
East Calder	1	0	0	0
Whitburn	4	4	5	4
Uphall	0	0	1	1
Stoneyburn	1	1	1	1
Polbeth	2	1	1	0

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.

7. Children and Families

Children in Low Income Families

	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
Armadale and Blackridge	18.2%	16.3%	18.6%	16.5%	21.0%	20.7%
Bathgate	16.1%	15.7%	15.9%	13.4%	19.0%	19.3%
Broxburn, Uphall and Winchburgh	15.2%	16.5%	18.4%	16.0%	20.3%	19.7%
East Livingston and East Calder	16.2%	16.5%	16.9%	16.2%	17.8%	18.9%
Fauldhouse and the Breich Valley	20.6%	20.9%	25.6%	20.2%	27.4%	27.3%
Linlithgow	6.7%	8.0%	8.0%	6.1%	6.9%	7.6%
Livingston North	15.4%	16.4%	17.9%	15.6%	20.4%	20.7%
Livingston South	17.9%	19.8%	19.5%	15.8%	20.4%	21.9%
Whitburn and Blackburn	21.9%	23.7%	23.0%	20.2%	25.1%	28.1%
West Lothian	16.6%	17.3%	18.2%	15.6%	19.9%	20.7%
Scotland	18.0%	17.9%	18.9%	16.0%	20.8%	21.3%
United Kingdom	18.0%	18.2%	19.3%	18.7%	20.1%	20.2%

Table 5: Children in Low Income Families in West Lothian

Source: DWP Stat-Xplore, Children in Low Income Families and ONS NOMIS, Population Estimates

In 2022-23, the latest estimate indicates that one fifth of children (aged 0-15) living in West Lothian are in a low-income household (20.7%). This figure is slightly lower than the Scottish rate but slightly higher than the UK rate. 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 Whitburn and Blackburn (28.1%) and Fauldhouse and the Breich Valley (27.3%).

24.6% of children were living in poverty in West Lothian in 2022/23 (compared to the Scottish national average 24%). 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 2022/23, there's been an increase in the proportion of children in poverty across all local authority areas. Looking at all 32 local authorities, only three have seen a small decrease during this period. West Lothian Council is above the Scottish average, and has increased by 3.3% points since 2015. If we compare reported % rates 2015 to 2023, it's proportionally up by 15.5% (compared to Scotland up by 11.1%). 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	2022/23	
Scotland	21.6%	22.8%	23.4%	24.2%	23.2%	24.3%	24.6%	24.5%	24.0%	
Clackmannanshire	24.2%	25.5%	26.0%	27.3%	26.1%	27.3%	23.9%	28.3%	29.2%	
Fife	23.6%	25.0%	25.0%	26.0%	25.5%	26.4%	22.1%	26.1%	26.6%	
Dumfries and Galloway	23.3%	25.3%	24.8%	26.4%	25.0%	26.7%	22.9%	26.0%	26.9%	
Falkirk	22.7%	23.2%	23.5%	24.3%	23.8%	24.8%	21.5%	25.3%	26.2%	
South Ayrshire	22.7%	23.5%	24.2%	24.6%	24.6%	24.8%	20.6%	24.4%	25.0%	
West Lothian	21.3%	22.1%	23.0%	23.8%	22.9%	24.6%	21.1%	23.9%	24.6%	
Renfrewshire	19.3%	20.4%	21.3%	22.8%	21.9%	23.1%	19.5%	23.3%	24.0%	
South Lanarkshire	21.5%	22.4%	22.5%	23.5%	22.5%	23.1%	19.6%	22.8%	23.6%	

Table 6a: Percentage of Children in Child Poverty

Source: UK Gov - DWP/HMRC Local Child Poverty Indicators 2022/23 (calibrated to the regional Households Below Average Income (HBAI) statistics)

Local Authorities	Percentage point change (2015-23) 9 years	Percentage change over 9 years*	Percentage point change (2018-23) 5 years	Percentage change over 5 years*	Percentage point change (2021-23) 2 years	Percentage change over 2 years*
Scotland	2.4%	11.1%	0.8%	3.4%	-0.5%	-2.0%
Clackmannanshire	5.0%	20.7%	3.1%	11.9%	0.9%	3.2%
Renfrewshire	4.7%	24.4%	2.1%	9.6%	0.7%	3.0%
Dumfries and Galloway	3.6%	15.5%	1.9%	7.6%	0.9%	3.5%
Falkirk	3.5%	15.4%	2.4%	10.1%	0.9%	3.6%
West Lothian	3.3%	15.5%	1.7%	7.4%	0.7%	2.9%
Fife	3.0%	12.7%	1.1%	4.3%	0.5%	1.9%
South Ayrshire	2.3%	10.1%	0.4%	1.6%	0.6%	2.5%
South Lanarkshire	2.1%	9.8%	1.1%	4.9%	0.8%	3.5%

Table 6b: Children in Poverty – Percentage changes by LGBF comparative family group

Source: UK Gov - DWP/HMRC Local Child Poverty Indicators 2022/23 (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 171% between January 2020 and June 2024. At June 2024, in-work claimants made up 6.1% of the West Lothian working age population.
- Lone parent 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 number of households affected by the two-child benefit cap in the UK has increased every year since the policy was introduced, going from 71,000 in 2017 to 450,000 in 2024. Out of those households affected in the UK, 26,000 are in Scotland and 920 are in West Lothian with 3,170 children in West Lothian living in families affected by the benefit cap. Abolishing the benefit cap could lift up to 15,000 children out of poverty in Scotland. <u>Research¹⁰</u> by the Resolution Foundation shows that 60% of families affected by the benefit cap contained at least one adult that is in work in the UK.

The child poverty situation across the UK has worsened, however this may have been 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. In April 2024 the Scottish Child Payment was increased to £26.70 per week in line with inflation, however, the Poverty Alliance reported that in order to meet the child poverty target, the payment should have been increased to £30 per week and should ultimately reach £40 per week.

¹⁰ Catastrophic Caps – Resolution Foundation January 2024

8. Free School Meals and Clothing Grants

Tables 7a – 7d

Education Maintenance Allowance	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023	2023/2024
Applications Received	889	837	768	793	743	732	756
Numbers of applicants paid	842	785	703	743	684	635	669

School Clothing Grant	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023	2023/2024
Number of pupils paid	5,053	6,407	7,337	8,592	7,420	7,684	7,882
Number of applicants paid	3,888	3,818	4,405	5,173	4,565	4,739	4,885

School Clothing Grant / Free School Meals	2017/2018	2018/2019	2019/2020	2020/2021
Applications Received	4,181	4,127	4,706	5,454
Free School Meals Approved Nursery	n/a	n/a	100	189
Free School Meals Approved P1 to P3				1,646 (through benefit)
Free School Meals Approved P4 to S6	4,422	4,162	4,195	4,943

Free School Meals	2021/2022	2022/2023	2023/2024 (to date)	
Applications Received	5,210	5,254	5,344	
Free School Meals Approved Nursery	n/a	n/a	n/a	
Free School Meals Approved P1 to P5	2,438 (through benefit)	2,517 (through benefit)	2,379 (through benefit)	
Free School Meals Approved P6 to S6	3,221	3,480	3,411	

Source: West Lothian Council, Benefits and Financial Support, Anti-Poverty Service.

Take up of Clothing Grants and Free School meals have shown an increasing trend of applications over the last three years. EMA applications also increased in the last year, reversing the downward trend of the previous few years. The most likely contributor to the increase in applications is due to the Cost of Living Crisis, which has impacted on household financial security during 2022-24, particularly those families with low incomes. As mentioned previously, the UK Government two child benefit cap has also had an impact on households, which has seen an increased impact every year since the policy was introduced. To date, this affects an estimated 920 households in West Lothian with 3,170 children in West Lothian living in families affected by the benefit cap.

Using our local authority family group, we can see that the percentage of secondary school pupils that are registered and taking Free School Meals in 2023 has decreased from the previous year in two local authorities, South Ayrshire by 9.3% and West Lothian by 12.4%. In the case of the other local authorities in the family group, the overall trend has been a decrease in registrations from 2018 to 2022, but in the latest year there has been an uptick in registrations, reversing the downward trend.

Table 7e: Percentage of secondary school pupils registered and taking Free School Meals								
Local Authority	2018	2019	2020	2021	2022	2023		
Clackmannanshire	89.3	84.8	98.0	x	63.0	73.4		
Dumfries and Galloway	70.6	71.0	66.0	x	59.9	61.7		
Falkirk	84.8	79.3	66.8	x	64.0	66.5		
Fife	54.7	58.3	60.4	x	43.5	53.6		
Renfrewshire	60.6	57.3	57.9	x	54.4	60.8		
South Ayrshire	66.5	68.5	72.4	x	66.3	57.0		
South Lanarkshire	48.8	50.9	53.5	x	58.1	62.2		
West Lothian	81.3	84.4	82.5	x	76.4	64.0		
Scotland	72.8	70.9	70.9	х	59.5	60.6		

Source: Scottish Government, School Healthy Living Survey 2023

9. Food Insecurity

The West Lothian Food Network was formed in Spring 2020 and is now composed of 23-member 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. During 2023, the network helped more than 73,000 people with food support. 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.

During 2023/24, West Lothian Food Network had 30,807 visits with the average person visiting twice, however in quarter 1 of 2024/25 the number of people supported by the WLFN was 22,221 with the number of visits per household increasing to three. West Lothian Food Network members provided food support to an estimated 95,000 people from April 2023 to June 2024, demonstrating the scale of food insecurity locally. The majority of those accessing community food providers indicate it is because they are financially at risk, on a low income and/or unemployed.

The majority of those being supported by the food network in quarter 1 of 2024/25 are working age people with 46% of those supported being unemployed and/or on benefits, 27% of those accessing food support are single adults followed by a two-adult and 2 child households (14%). A 3% increase has been noted for older people (between the ages of 61 & 70) who are accessing food support in quarter 1 of 2024/25 as compared to quarter 4 of 2023/24. The Trussell Trust have also reported that more pension age households are now being supported with emergency food parcels. The West Lothian Foodbank in 2023/24 supported 353 people aged between 60 and 65 this is a 13% increase from the previous year 2022/23.

In the 2023-24 financial year, the Trussell Trust delivered 8,554 emergency food parcels to people in West Lothian, 5,607 to adults and 2,947 to children. This is down from the previous financial year where 10,961 emergency food parcels were delivered in West Lothian.

262,400 emergency food parcels were delivered in Scotland. 176,400 to adults and 86,000 to children. This is unchanged from the previous year. The increase in need over the last few years is linked to the soaring cost of living and the fact that people's income has failed to keep up with these costs. Evidence¹¹ collected in February 2024 shows that despite the fall in inflation far too many people are going without essentials. 51% of people receiving Universal Credit in Scotland said they had run out of food in the last month and couldn't afford more.

Disabled people often face additional costs and lower incomes as a result of barriers to finding and sustaining work. A <u>report¹²</u> from the Trussell Trust found that 69% of people referred to food banks in the Trussell Trust network are disabled. The most common disability reported by people referred to a food bank was a mental health condition (52%).

¹¹ Emergency food parcel distribution in Scotland – The Trussell Trust 1 April 2023 to 31 March 2024.

¹² Dignified, Accessible Support for Disabled People and People with Health Conditions – The Trussell Trust February 2024.

10. Fuel Poverty

Due to disruption from the Covid pandemic the latest local authority data is from 2019. However, in Scotland, fuel poverty rates increased to 31% in 2022, up from 24.6% in 2019. Extreme fuel poverty rates increased to 18.5% in 2022, up from 12.4% in 2019. In total, there are 791,000 fuel poor households in Scotland while the majority of fuel poor households (556,000) are also in income poverty.

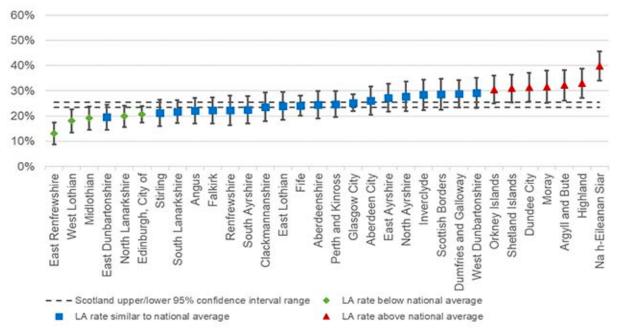


Figure 4a: Percent Dwellings in Fuel Poverty by local authority compared to Scotland. SHCS 2017-19

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%).

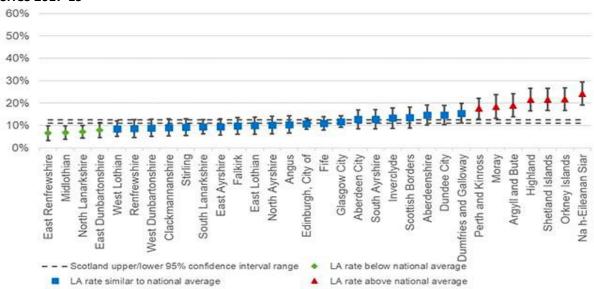


Figure 4b: Percent Dwellings in Extreme Fuel Poverty by local authority compared to Scotland. SHCS 2017-19

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%).

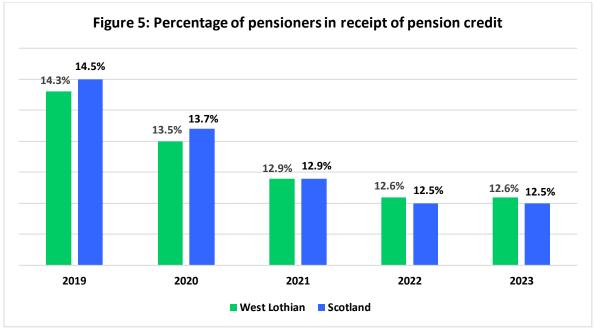
Seven local authorities had significantly higher extreme fuel poverty rates than the national average, these were: Na h-Eileanan Siar (24%), Orkney Islands (22%), Shetland Islands (22%), Highland (22%), Argyll and Bute (19%), Moray (19%) and Perth and Kinross (18%). All of these local authorities had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

Over the last three years the Anti-Poverty Service has been rolling out Energy Grants to help with soaring energy prices. In West Lothian 3,627 clients received an Energy Grant. Clients receiving Energy Grants were located across all the SIMD quintiles (full range) but the majority of clients were within quintile 1 (35.8%) and quintile 2 (37.7%) (most deprived areas).

11. Pensioners on Fixed / Low Income

There are 29,836 people in West Lothian receiving the state pension. Of these, 3,765 (12.6%) 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

A <u>report¹³</u> from Standard Life shows that in 2023, 14% of retirees aged over 55 in the UK have gone back into work as their pension was not enough to live on after recent cost of living pressures. This is an increase from 2022 where 12% of retirees returned to work. 48% of those who have come back out of retirement have gone back into the same industry while 41% said they would try something new. While the state pension age may have traditionally served as a marker for retirement, 54% of people now expect to work beyond it. In West Lothian, there were around 3,000 people aged over 65 in employment in 2023. This counts for around 10% of the over-65 population.

Pensioner poverty has been rising with around 15% of pensioners in Scotland experiencing poverty. Age Scotland's <u>National Housing Survey</u> for older people identified that 39% of pensioners are living in fuel poverty in 2023, compared to 19% in 2021. This survey was undertaken during the Cost of Living Crisis where the key concerns that older people had included fuel poverty and affordable housing. It found there was a low awareness of energy efficiency schemes at a time when 87% of respondents had experienced an increase in energy costs.

12. 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 14.5% of jobs located within West Lothian paying hourly rates below the living wage level. 9.7% 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 2.8% of the general working age population, which is below both the Scottish and UK average. However, people who are in work

¹³ Retirement Voice 2023 – Standard Life

but required financial support from Universal Credit (UC) as their income was not sufficient, have increased by 171% between January 2020 and June 2024. In-work claimants make up 6.1% 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. West Lothian Food Network members provided food support to an estimated 95,000 people from April 2023 to June 2024, demonstrating the scale of food insecurity locally.

The majority of those being supported by the food network in the last reported quarter of 2024/25 are working age people, with just under half (46%) of those supported being unemployed and/or on benefits. Over a quarter, 27%, of those accessing food support are single adults, followed by two-adult and 2 child households (14%). There has been a 3% rise on the previous quarter for older people (ages between 60 & 70) who have been accessing food support. The Trussell Trust have also reported that more pension age households are now being supported with emergency food parcels. The West Lothian Foodbank in 2023/24 supported 353 people aged between 60 and 65 which is a 13% increase from the previous year 2022/23.

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 ongoing Cost of Living crisis.

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 (20.7%). This figure is slightly lower than the Scottish rate and slightly higher than the UK rate. 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 number of households affected by the two-child benefit cap in the UK has increased every year since the policy was introduced. Out of 450,000 households affected in the UK, 26,000 are in Scotland

and 920 are in West Lothian with 3,170 children in West Lothian living in families affected by the benefit cap. It is estimated that abolishing the benefit cap could lift up to 15,000 children out of poverty in Scotland. The child poverty situation across the UK has worsened, however this may have been 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, and now provides £26.70 per week per child. The Poverty Alliance estimates that in order to meet the child poverty target, the payment should have been increased to £30 per week and should ultimately reach £40 per week.

Take up of Clothing Grants and Free School Meals have shown an increasing trend of applications over the last three years (2023/24: FSM 5,344 applications up from 5,210 in 2021/22 / 2023/24: SG 7,882 up from in 7,420 2021/22). EMA applications also increased in the last year, reversing the downward trend of the previous few years (2023/24: 756 applications up from 743 in 2021/22). This is a clear indication that families are still struggling with pressure on household budgets, slow wage growth, and increased living costs.

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 (falling from 14.3% pensioners in recipient of Pension Credit to 12.6% last year). 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.

A report from Standard Life shows that in 2023, 14% of retirees aged over 55 in the UK have gone back into work as their pension was not enough to live on after recent cost of living pressures. While the state pension age may have traditionally served as a marker for retirement, 54% of people now expect to work beyond it. In West Lothian around 3,000 people aged over 65 were in employment in 2023, and counts for 10% of the over-65 population.

Pensioner poverty has been rising with around 15% of pensioners in Scotland experiencing poverty. Age Scotland's National Housing Survey for older people identified that 39% of pensioners are living in fuel poverty in 2023, compared to 19% in 2021. Key concerns older people had included fuel poverty and affordable housing. There was also a low awareness of energy efficiency schemes at a time when 87% of respondents had experienced an increase in energy costs.

Across Scotland, fuel poverty rates increased to 31% in 2022, up from 24.6% in 2019. Over the last three years the Anti-Poverty Service has rolled out Energy Grants to help with soaring energy prices. In West Lothian 3,627 clients received an Energy Grant. A majority of clients receiving Energy Grants were located across all the SIMD quintiles (full range) but the majority of clients were within the most deprived areas, being in the most deprived SIMD 20% quintile (35.8%) and next most deprived quintile 2 (37.7%) – representing 73.5% all applicants in receipt of the grant.

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 2024

Contact: Jill Staniforth

Jill.Staniforth@westlothian.gov.uk

West Lothian Council – Planning, Economic Development and Regeneration