

Edinburgh Poverty Commission

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

The Commission is an independent group, chaired by Jim McCormick of Joseph Rowntree Foundation and made up of 12 people with experience of tackling poverty and its effects, including citizens who have direct experience of living in poverty in Edinburgh.

Throughout 2019 the Commission will focus on three themes relating to poverty in Edinburgh:

- **Pockets** – addressing the pressures that keep incomes low and living costs high for people in Edinburgh
- **Prospects** – exploring what we can do to improve the wellbeing and life chances of people in poverty
- **Places** – defining steps the city can take to create well-designed, affordable, and sustainable places in Edinburgh.

If you would like to know more about our work, or get involved, please visit our [website](#), or follow us on social media using #edinpovertycommission.

Call for evidence

In the first phase of our work, we want to focus on the theme of **'Pockets'** – the pressures that keep incomes low and living costs high for people in Edinburgh.

We know that 80,000 people in Edinburgh live on incomes below the UK poverty threshold, and that more than 1 in 5 children in the city grow up in poverty. We know that for too many people, poverty means not being able to heat their home, pay rent, manage debts, or buy essential food and clothing for children. It means waking up every day facing insecurity, uncertainty, and impossible decisions about money. We also know that for many people in Edinburgh work alone is not enough to keep a family out of poverty, that childcare costs are a significant barrier to work for many people, and that benefit payments are an essential support for many families.

To help us, we want to hear from individuals and organisations across the city who have experience of living with or supporting people facing these issues.

We want to hear your thoughts on the causes of poverty in Edinburgh. We also want to think about ways the city can do more to help maximise incomes and reduce expenses for families who are struggling to get by.

So, we are asking four questions:

- What are the factors that trap people in Edinburgh in low income, and how does it impact on people's lives and wellbeing?
- What essential things cost too much for people in Edinburgh on low incomes?
- What prevents people being able to increase their household income, or reduce their living costs?
- Can you provide evidence of what has been successful in helping people increase incomes or reduce their living costs?

Submitting your evidence

You can submit your thoughts on these questions by contacting us, using the subject header 'Edinburgh Poverty Commission', at:

strategyandinsight@edinburgh.gov.uk

All submissions will be treated as confidential, with the evidence used to inform discussion and private sessions of the Edinburgh Poverty Commission.

Q1: What are the factors that trap people in Edinburgh in low income, and how do they impact on people's lives and wellbeing?

Edinburgh is home to 513,210 people¹, welcomes thousands of people every year to enjoy its arts and cultural festivals, enjoys a thriving economy and is consistently ranked as one of the best places in the United Kingdom to live.² Yet despite this apparent economic buoyancy, every day we support people in Edinburgh struggling to afford the basic essentials. Below we have outlined several areas which trap people in low income and poverty, and what we understand to be the impact on people's lives. This includes;

- Lack of affordable housing in Edinburgh
- How the homelessness system and temporary accommodation works
- The impact of welfare reform, including the freeze to working age benefits

Housing supply and affordability

- There is a lack of affordable housing in Edinburgh.

The private rented sector in Edinburgh is the largest in Scotland and many people face increasingly unaffordable rents. Since 2010, average private rents in Edinburgh have increased by 42.3%, and by 6.5% in the past year alone³, while wage growth has lagged behind. These high rents affect a disproportionately high number of people in Edinburgh – 26% of households in Edinburgh now rent privately compared to 15% across Scotland. This has risen from 10% of households renting privately in Edinburgh in 1999. This is due in large part to a supply issue with a lack of other affordable options in the city – just 14% of households in Edinburgh are in the social rented sector compared to 22% across Scotland⁴ and there are large waiting lists for social housing as it is often significantly more affordable.

We believe that the lack of affordable housing options (such as social rented accommodation) in Edinburgh traps people in private rented accommodation which is often too expensive for them, and which can lead to rent arrears and their ability to afford other essentials, as well as risking homelessness. However, it is not just those in the private rented sector who are struggling: according to recent statistics, 25.7% of social tenants in Edinburgh described themselves as “not managing well” financially.⁵

¹ National Records of Scotland; [Mid-2017 Population Estimates by Council Area in Scotland](#)

² PwC (2018); [Good Growth for Cities 2018: A report on urban economic wellbeing from PwC and Demos](#)

³ Scottish Government (2018); [Private sector rent statistics: 2010-2018](#)

⁴ Scottish Government (2018); [Scottish Household Survey 2017: annual report – LA Tables for Edinburgh City](#)

⁵ Scottish Government (2018); [Social tenants in Scotland 2016](#)

Homelessness and temporary accommodation

- It is our experience that the lack of affordable housing supply and the failure of the social security system to adequately cover people's housing costs is contributing to increased pressure on the homelessness system in Edinburgh.

The Council's Homelessness Task Force stated in June 2018 that a shortage of affordable housing options was leading to worsening homelessness, despite the delivery of over 8000 new affordable homes in the city.⁶ They also acknowledged that many people who were becoming homeless had been living in the private rented sector immediately before their homelessness.⁷

Applying as homeless often necessitates a significant period of time spent in temporary accommodation and in many areas temporary accommodation is extremely expensive, and our casework advisers supports that this is the case in Edinburgh. Indeed, research commissioned by us in 2016 showed that some local authorities at the time were charging up to 282% above the local housing allowance rate for temporary accommodation.⁸

We know that households are spending long periods of time stuck in temporary accommodation⁹, which often leads to people accruing significant arrears while they wait for a permanent home. This is especially the case if their benefits do not cover the whole cost of temporary accommodation, or if they are in work and are personally liable to meet the high costs of temporary accommodation themselves. These arrears can lead to difficulties securing a new home, thus creating a poverty trap.

Welfare reform

- The programme of welfare reform undertaken since 2010 has trapped many people in a cycle of poverty, and now the available help with housing costs does not meet the actual cost of housing in Edinburgh and beyond.

Local Housing Allowance

Local Housing Allowance has been frozen for four years and as a result does not meet rent levels for much of the city's expensive private rented market. With demand for social housing outstripping supply, more people on lower incomes now live in the private rented sector in Edinburgh and are reliant on Local Housing Allowance (LHA) to help cover their housing costs. Initially, LHA was set at levels to allow people to access 50% of the local rental market in a Broad Rental Market Area, but this changed in 2011 when LHA rates were reduced to cover only the 30th percentile (or to the level of weekly national LHA caps, whichever is lower).

Affordability issues in relation to LHA are compounded further in Edinburgh because the Broad Rental Market Area on which the LHA level is based includes the wider Lothian region where rents are much lower than the expensive city centre. Further, from April 2012, the link between LHA rates and actual rent levels was broken by freezing the rates for one year. In 2013, they were then updated by the Consumer Price Index

⁶ City of Edinburgh Council (2018); [Housing and Economy Committee, 7 June 2018, Item 7.7 - Homelessness Task Force](#)

⁷ Oral evidence from Nicky Brown, Homelessness team leader at meeting of Housing and Economy Committee 24 January 2019

⁸ Anna Evans (2016); [Funding Homelessness Services in Scotland](#)

⁹ Shelter Scotland (2018); [Time in temporary accommodation](#)

(CPI), which does not take rents into account. This was then followed by a two-year 1 per cent rise and then a four-year freeze from April 2016.

As a result, we know that in many areas, Edinburgh included, LHA only covers around 5% of the rental market which means many tenants have to 'top up' their rent from other income or social security support, resulting in many people struggling to pay their rent or other living costs. This pressure on private renters is reflected in recent research by Citizens Advice Scotland¹⁰, which showed that approximately 36% of their clients who were privately renting were struggling financially, and 40% were worried about being able to afford basic living expenses.¹¹ Additionally, it can cause some people to build up rent arrears and in some cases homelessness – rent arrears issues amongst private rented sector tenants increased by 20% between 2012 and 2017.¹²

The benefit cap

The new benefit cap was introduced in November 2016 and since then we have worked with many families affected by the benefit cap. The cap is particularly damaging for people's housing security as when a family exceeds the arbitrary threshold of the cap, the first benefit to be reduced is their housing benefit or Universal Credit housing costs element. This more often than not results in affordability issues, rent arrears and risks homelessness. We recently detailed our concerns around the impact of the benefit cap in evidence to the Work and Pensions Committee.¹³

Case study : In 2017, we worked with a group of families in Edinburgh who were affected by the benefit cap and were made homeless from their private rented home as a result. These families, all of which were headed by single women and contained three or more children, faced significant upheaval and negative impacts to their physical and emotional health, despite the fact that their homelessness could have been avoided.

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

Discretionary Housing Payments

The Scottish Government is taking steps to mitigate a lot of the effects of welfare reform, however this is proving to only be a temporary sticking plaster over a systemic problem, and cannot continue sustainably. Discretionary Housing Payments are an example of one of these sticking plasters, and while it helps many families affected by the bedroom tax or the benefit cap to bridge the shortfall in rent, we are hearing from our advisers that it is becoming increasingly difficult for families to access the fund, especially if they are affected by the benefit cap only. If they do manage to access the fund, it is only accessible for a number of weeks, and is not a long-term solution.

¹⁰ Citizens Advice Scotland (2018); [Rent Arrears: Causes and Consequences for CAB Clients](#)

¹¹ Citizens Advice Scotland (2017); [Living from one pay day to the next](#)

¹² Citizens Advice Scotland (2018); [Rent Arrears: Causes and Consequences for CAB Clients](#)

¹³ Shelter Scotland (2018); [Shelter Scotland response to the Work and Pensions Committee inquiry on the benefit cap](#)

Universal Credit

Full service Universal Credit was introduced in Edinburgh in December 2018 and not enough time has passed at the time of writing this response for us to fully understand its impact. However, if we consider the learnings gained from other areas, Universal Credit risks trapping people in poverty, both through its administrative processes, long waiting times and the low rate at which it is paid.

Q2: What essential things cost too much for people in Edinburgh on low incomes?

As outlined above, there is both a distinct shortage of affordable housing in Edinburgh and private rents have increased well beyond wage growths. This is coupled with demand for the social rented sector far outstripping supply. As a result, many people in the city have little option but to spend a high proportion of their income on housing costs.

Q3: What prevents people being able to increase their household income, or reduce their living costs?

Shortage of supply and lack of choice

According to the most recent statistics, there were 21,130 households on the waiting list for socially rented homes owned by the Council in Edinburgh.¹⁴ It is clear the socially rented sector cannot currently meet demand in Edinburgh. In 2016/17, an average of 167 bids were received for every social rented home advertised. In 2017/18, this increased to 191 bids per social rented home.¹⁵ We believe this is forcing households into the private rented sector where rents are higher and many struggle to make ends meet.

Discrimination against tenants in receipt of benefits

Research commissioned by Shelter Scotland in 2017¹⁶ showed that private landlords are increasingly nervous about renting to prospective tenants if they are using benefits to pay all or some of their rent. This practice unfairly excludes tenants on low incomes from accessing part of the rental market, further limiting housing choice.

¹⁴ Scottish Government (2018); [Housing Statistics for Scotland - Housing lists](#)

¹⁵ City of Edinburgh Council (2018); [Housing and Economy Committee, 7 June 2018, Item 7.7 - Homelessness Task Force](#)

¹⁶ Shelter Scotland (2017); [No DSS](#)

High cost of temporary accommodation

Many people who are living in temporary accommodation face much higher rents than those in settled accommodation. This is an issue which has been exacerbated since the introduction of the lowered benefit cap: we have supported multiple families across Scotland in expensive temporary accommodation, often single parents with 3 or more children, who are affected by the benefit cap and as such are left with sometimes as little as 50p housing benefit towards their housing costs.¹⁷ As outlined above, we have also worked with households who are working and who are therefore liable for paying their rent themselves. This cost traps these families in a cycle of arrears and eviction.

Fuel Poverty

Around 17%, (or 39,000) of households in Edinburgh are in fuel poverty, meaning they spend more than 10% of their household income on fuel payments.¹⁸ Around 5%, or 11,000 households, are in extreme fuel poverty, meaning they spend more than 20% of their income on fuel payments. This is particularly an issue for tenants in badly insulated tenement properties in Edinburgh, as the following case study demonstrates. It is unacceptable that households are struggling to keep themselves warm.

Case study: Gavin was living in an old fashioned flat in Edinburgh with single glazing and big bay windows. It was very expensive to heat, and impossible to keep warm. His bills were £200 a quarter and that was just for gas. He resorted to making a heater with tea-lights, which he found on the internet, to keep warm. The only time Gavin asked his letting agent to make any improvements – a new washing machine – they mentioned raising his rent, so he didn't ask again.

Q4: Can you provide evidence of what has been successful in helping people increase incomes or reduce their living costs?

Shelter Scotland provides advice and support to people in housing need in Edinburgh through our online advice, our national helpline, and our community hub. Our advisers support people to maximise their income, for example through ensuring that they're in receipt of all the benefits they are entitled to, and we support people to find sustainable housing options which will be affordable in the long term.

¹⁷ Shelter Scotland (2018); [Shelter Scotland response to the Work and Pensions Committee inquiry on the benefit cap](#)

¹⁸ Scottish Government (2019); [Scottish House Condition Survey Local Authority Analysis 2015-2017](#)

Monitoring questions (optional)

All responses to this engagement will be treated as confidential, so the following questions are optional but will help us understand who is responding to the call for evidence.

1. What is your name/organisation?

Shelter Scotland

2. Future engagement

Thank you for taking part. We would like to contact you about the results of this work, and any further engagement in relation to the Edinburgh Poverty Commission. If you are happy for us to contact you in this way, please provide your email address below.

Aoife_deery@shelter.org.uk

Future calls for evidence

This is the first of three calls for evidence the Edinburgh Poverty Commission will be making during 2019.

Future calls for evidence will focus on:

Prospects – due to be issued in April 2019

Places – due to be issued in August 2019

For more information and to keep up to date on our work, please visit our [website](#), follow us on social media using #edinpovertycommission, or email us at strategyandinsight@edinburgh.gov.uk.

If printing this form, you can return it to any Edinburgh library or local office, or post it to:

Edinburgh Poverty Commission

2.1 – Waverley Court

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Edinburgh

EH8 8BG

Thank you.