

## The Impact of Poverty on Families in Fife

### How the COVID-19 pandemic has exacerbated key issues faced by families supported by Includem

November 2020

#### We are Includem

**Our mission:** To provide the support young people need to make positive changes in their lives, and inspire a more hopeful future for young people, their families and communities.

**Our vision:** A world where every young person is respected, valued, and has the opportunity to actively participate in all aspects of life and society.

We work closely with children, young people, and their families, who are facing difficult challenges in their lives. Our trust-based, inclusive model of support is centred on the needs of each young person. We help young people make positive life choices and empower them to transform their lives, creating better outcomes for young people and their communities.

#### Executive Summary

We asked families we support what their experiences of meeting day-to-day costs has been like over the past 12 months and what impact the coronavirus pandemic has had on them. Families told us that the five biggest areas of financial pressure were:

- Food insecurity
- The cost of heating their home
- Transport costs and the impact this has on choice and access
- Housing costs and the impact this has on their ability to access appropriate housing for their family needs
- Accessing the internet

Since the coronavirus pandemic began, **62% of the families we spoke to in Fife told us that their financial situation has worsened and a third told us their debt had increased.** For families who receive social security, these issues are particularly pronounced. 71% of the young people and families reliant on social security in Fife told us they were in a worse financial position than they were pre-pandemic and 43% said their debt was greater. Three

quarters of families told us that their mental health had deteriorated because of their worsening financial situation.

## Background

The coronavirus pandemic has highlighted the devastating impact of poverty in Scotland, with many families struggling to cover the essential costs. Working with families experiencing entrenched poverty, Includem is acutely aware of the wide-ranging and long-lasting effects of poverty on mental and physical health, educational attainment, and access to employment.

Research from IPPR published in May of this year found that nearly half (49%) of households with dependent children in Scotland find themselves in the two most serious categories of financial stress – ‘in serious financial difficulty’ or ‘struggling to make ends meet’.<sup>1</sup>

Such financial stress is situated in a context of stark levels of wealth inequality, with the STUC noting Scotland’s two richest families now have as much wealth as the poorest 20% of the population, while Scotland’s richest twenty families are wealthier than the bottom 30% of the population combined.<sup>2</sup>

While the Scottish Government has taken some positive steps to tackle child poverty, action is not as urgent or comprehensive as is so desperately needed. Discussions of ‘considerable progress’<sup>3</sup> do not, regrettably, reflect the experiences of the families we support. Scotland’s children, young people, and families cannot wait. That is why Includem has called on the Scottish Government to lead an immediate, systematic effort to address child poverty.<sup>4</sup>

As part of our continued commitment to tackle entrenched poverty and amplify the voices of those that we support each day, we carried out research to identify the extent of the challenges they face. We engaged with 126 of the young people and families we support across Scotland<sup>5</sup> – 22 of whom are supported by Includem in Fife, representing around half of all those we support in the area.

## Key Findings

Of the 22 young people and families surveyed in Fife, 68% of respondents reported social security was their primary source of income. The remaining 32% reported that employment was their primary source of income at the start of lockdown, however this is changing as unemployment increases. This is a broadly similar split in primary income to the national picture (65% and 35% social security and employment respectively across Scotland).

<sup>1</sup> <https://www.ippr.org/blog/covid-19-how-are-families-with-children-faring-so-far>

<sup>2</sup> <https://www.stuc.org.uk/files/Policy/Research-papers/peoples-draft-6.pdf>

<sup>3</sup> <https://www.gov.scot/publications/tackling-child-poverty-delivery-plan-second-year-progress-report-2019-20/>

<sup>4</sup> <https://www.includem.org/news/news/includem-urges-the-scottish-government-to-do-more-to-address-child-poverty-now/>

<sup>5</sup> <https://www.includem.org/resources/Poverty-and-the-Impact-of-Coronavirus-on-Young-People-and-Families---Includem---Oct-2020.pdf>

Our findings in Fife (and across Scotland) show that poverty more sharply affects families whose primary income source is social security - and in Fife we found this difference was particularly pronounced.

## Food Insecurity

To our collective shame, food insecurity in Scotland has become increasingly prevalent, with foodbank usage more than tripling in the last 6 years.<sup>6</sup> The pandemic has ushered in an additional surge in usage, with food poverty figures from the Independent Food Aid Network showing a 108% rise in the number of emergency food parcels distributed in July 2020 compared to the same month last year. 70 independent food banks across 20 local authorities in Scotland distributed at least 182,863 emergency food parcels between February and July 2020.<sup>7</sup>

**Our findings show that half of the families surveyed in Fife struggle to put food on the table on a regular basis. This is particularly pronounced for our families that rely on social security, two-thirds of which report struggling to pay for food ‘about half the time’, ‘usually’ or ‘always’.**

Families need and deserve a right to food and a right to accessing it in a way which respects their choices and cultural needs. We recognise there has been a range of action taken in Fife to mitigate food insecurity, including through supporting community-based food providers, as exemplified with Fife council’s decision at the start of lockdown to take a cash-first approach to supporting families with a child/children eligible for school meals, supporting over 11,300 children in Fife in a way that protects their rights and promotes dignity by giving families the flexibility they need and deserve.<sup>8</sup> We welcome this action.

Includem ultimately believes access to food should be considered a fundamental human right and supports the Proposed Right to Food (Scotland) Bill to enshrine the right to food in Scots Law.<sup>9</sup> In our consultation response to this proposed bill, we highlighted that to truly achieve the right to food for all people in Scotland, influence and change is needed across multiple government directorates and industries.

## Transport

**Where social security is the primary income source, two thirds of Fife families surveyed struggle to cover their transport costs.**

The inability to cover transport costs has knock-on consequences on choice and the affordability of food, and transport costs have become a particular challenge in the context of COVID-19 due to the associated health risks of taking a bus instead of, for example, a taxi.

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<sup>6</sup> <https://www.trusselltrust.org/news-and-blog/latest-stats/end-year-stats/#total>

<sup>7</sup> <https://www.sustainweb.org/news/sep20-scotland-food-bank-use-doubles-in-covid/>

<sup>8</sup> <https://our.fife.scot/wp-content/uploads/sites/8/2020/10/LCPAR-2020-FINAL-051020-1.pdf>

<sup>9</sup> <https://www.parliament.scot/parliamentarybusiness/Bills/115201.aspx>

As noted by the Poverty and Inequality Commission, high transport costs can contribute to entrenched poverty:

*'Good, affordable transport can enable people to access jobs, education and training. This can contribute to raising household income and preventing people from experiencing poverty or enabling people to move out of poverty (Crisp et al, 2018; Titheridge et al, 2018). On the other hand, poor access to transport can lock people into poverty by limiting access to these opportunities to increase income'.<sup>10</sup>*

Includem notes the positive work undertaken in Fife through the 'Let's Talk... about Transporting People' project engaging local communities in designing the future of subsidised passenger transport services and welcomes the commitments made to improve affordable and sustainable travel and public transport.<sup>11</sup>

In our national report we highlighted the need for both short-term action to make transport more affordable and a long-term national vision to make public transport free at the point of use for all – so our families in Fife and across the country can readily access employment and a greater range of choice to purchase food and other essentials.

## Heating Costs

Young people and families in Scotland have told us they struggle to meet the essential costs, and in turn may have to make devastating decisions on whether to heat their home, put food on the table, or equip their children with back-to-school equipment. With families facing choices such as this, it is little wonder that there is a poverty related attainment gap.

**45% of all families in Fife and 60% of those receiving social security reported regular issues paying for heating ('about half the time' 'usually' or 'always').**

In Scotland, there have been recent legislative changes to tackle fuel poverty, with The Fuel Poverty (Targets, Definition and Strategy) (Scotland) Act passed by the Scottish Parliament in June 2019. Targets outlined in the act include:

- No more than 5% of households should be in fuel poverty;
- No more than 1% of households should be in extreme fuel poverty; and
- The median fuel poverty gap of households in fuel poverty is no more than £250 in 2015 prices before adding inflation.

Each of these 2040 targets must be achieved not only in Scotland as a whole, but also within each of the 32 local authority areas.<sup>12</sup> However, for such long-term targets, we believe they lack ambition. We should be striving, as a progressive and compassionate country, to ensure that no one in Scotland is living in fuel poverty. We have seen first-hand the devastating effects it has on children's welfare.

<sup>10</sup> <https://povertyinequality.scot/wp-content/uploads/2019/06/Transport-and-Poverty-in-Scotland-Report-of-the-Poverty-and-Inequality-Commission.pdf>

<sup>11</sup> <https://our.fife.scot/wp-content/uploads/sites/8/2020/10/LCPAR-2020-FINAL-051020-1.pdf>

<sup>12</sup> <https://www.gov.scot/policies/home-energy-and-fuel-poverty/fuel-poverty/>

## Housing

Housing is another key area where families are regularly struggling to meet costs. **Paying for housing (for example, rent) was an issue for just under a quarter of families in Fife.** While this was slightly lower than the average we found across Scotland (where around a third of families reported regular issues covering rent), Fife families did tell us about their wishes for more suitable housing. When asked about the one thing they would wish to see changed in order to make their lives better, four families cited the size and/or area of their current housing:

*‘More appropriate housing’*

*‘A New house in a different area’*

*‘Bigger house’*

*‘Housing, the house I live in is too small for all who live there’*

Families across Scotland told us that they are unable to move away from overcrowded accommodation into something more suitable due to COVID-19 restrictions, rent arrears, and/or there being no appropriate housing in their area of choice. Includem is calling on the Scottish Government to improve provision and ensure more accessible and affordable housing of a size and in areas that families want and need – this is crucial for closing the poverty-related attainment gap.<sup>13</sup>

## Digital Access

**60% of families reliant on social security in Fife reported regular issues in affording the costs associated with accessing the internet.** And we know that issues of digital exclusion run even deeper than simply not having access to equipment or being able to afford to connect.

**Families have reported struggling with back-to-school costs including equipment and uniforms – this was an issue for 80% of families in Fife where social security was the primary source of income.**

A holistic approach of support is required that considers training to use equipment, protection from exploitation and ensuring internet safety, and clarity over financial liability should digital equipment get damaged. It is important to recognise that families can be hesitant to use equipment for fear of the costs of potential damages.

Digital access is fundamentally a rights-based issue. Includem’s ‘Staying Connected’ report noted that to exert and protect their rights it is imperative that children, young people, and families can participate in decisions that affect them.<sup>14</sup> Families across Scotland have told us that they already feel disempowered and their voices often not heard in formal meetings and decision-making forums. This will only increase if they do not have access to devices and data that supports their participation.

<sup>13</sup> <https://www.includem.org/news/news/includem-urges-the-scottish-government-to-do-more-to-address-child-poverty-now/>

<sup>14</sup> <https://www.includem.org/resources/staying-connected-includem-digital-inclusion-report-may-2020.pdf>

We welcome that new ways for people with lived experience in Fife to participate in decision making are being explored, including looking into how digital access can be supported (including helping people to access the internet and equipment such as laptops).<sup>15</sup> Their voices are of crucial importance in tackling poverty locally and nationally.

One family we spoke to in Fife cited their main hope for change as ‘subsidised internet for everyone’ – and we at Includem believe that digital inclusion should be a right and not a privilege. We reiterate our calls for broadband to be economically accessible for all.<sup>16</sup>

## Mental Health

The financial strain on families during the pandemic has in turn deepened the crisis of mental ill-health. **Three quarters of all families surveyed in Fife reported a deterioration in their mental health over the last year.** It is clear significant and far-reaching structural changes are required to lift our families out of entrenched poverty, and to improve mental health as a result.

In the context of increasingly precarious employment, low wages, and the volatility of the labour market now further exacerbated by the coronavirus pandemic, it is perhaps unsurprising – albeit devastating – that so many families in Fife and across Scotland are battling poor mental health.

Indeed, the links between poverty and mental health are well documented: ‘Poverty increases the risk of mental health problems and can be both a causal factor and a consequence of mental ill health. Mental health is shaped by the wide-ranging characteristics (including inequalities) of the social, economic and physical environments in which people live.’<sup>17</sup>

When asked what they would most like to see change, four families in Fife called for an increase in mental health provision:

*‘[...] better mental health support’*

*‘Better mental health care services, [also] more community based mental health support’*

*‘[...] More mental health support’*

*‘I would like for [my child’s] mental health to be better’*

One parent however noted that schools moving to online learning during ‘lockdown’ had a positive effect on their children’s mental health, which has since worsened following the return of schools.

- *‘[I would like to see] blended learning available more readily. This would allow me to ensure my children are accessing some form of education on days where their anxieties and additional needs [...] don’t allow them to access formal schooling. During lockdown my children’s mental health was a lot better, there were no pressures i.e. schooling, since*

<sup>15</sup> <https://our.fife.scot/wp-content/uploads/sites/8/2020/10/LCPAR-2020-FINAL-051020-1.pdf>

<sup>16</sup> <https://www.includem.org/resources/staying-connected-includem-digital-inclusion-report-may-2020.pdf>

<sup>17</sup> <https://www.mentalhealth.org.uk/sites/default/files/Poverty%20and%20Mental%20Health.pdf>

*school has returned this has had a negative impact on both my mental health and my children. During lockdown the family dynamic was much better and significantly less arguments. We spent more time as a family and due to father being furloughed this meant he could also be involved with this.'*

This is an issue Includem has raised in our submission to the Scottish Parliament's Education and Skills Committee, where we called for an extension of virtual school availability to include all vulnerable young people finding it difficult to engage in traditional school-based education, not just those who are formally looked after.<sup>18</sup>

## The Impact of COVID-19

Underpinning the key issues faced by families is the impact of the pandemic on overall finance and debt levels. Since the coronavirus pandemic began, **62% of the families we spoke to in Fife told us that their financial situation has worsened and a third told us their debt had increased.** For families who receive social security, these issues are particularly pronounced. 71% of the young people and families reliant on social security in Fife told us they were in a worse financial position than they were pre-pandemic and 43% said their debt was greater.

Four families stated their main hope for change was for an increase in income, with references to the current complexity of, and low payments provided through, the social security system:

*'Easier benefits'*

*'More money required'*

*'More money coming in'*

*'Benefits being simpler 10 weeks with no income'*

One family noted that Universal Credit is easier to navigate, however in both Fife and across Scotland this stood in contrast to the views of other young people and families that made specific comments regarding social security who called for greater simplicity.

A clear message from our families is that social security does not provide an adequate financial foundation, as demonstrated by the worsening debt faced during the current pandemic.

Families across the country told us that they have benefitted from short-term cash injections from our Young Person's fund<sup>19</sup>, the Wellbeing Fund<sup>20</sup>, The Scottish Welfare Fund, and other local initiatives. However, families across Scotland tell us they face a 'postcode lottery' – as illustrated by Scottish Welfare Fund payment statistics, which showed

<sup>18</sup> <https://www.includem.org/resources/Includem-response-to-Education-and-Skills-Committee-on-vulnerable-young-people---May-2020.pdf>

<sup>19</sup> <https://www.includem.org/donate/>

<sup>20</sup> <https://scvo.org.uk/support/coronavirus/funding/scottish-government/wellbeing-fund>

significant differences in average crisis grants (the average award was £111 in Fife, yet just £62 in East Ayrshire).<sup>21</sup>

We need greater action at a governmental level to improve the financial outlook for our families so that they can plan their finances long-term, without having to worry about how to pay the bills and relying on often uncertain discretionary payments. Ultimately, we need an economy centred on the well-being and needs of children, young people, and families – where their voices are at the heart of policy development and service delivery.

## Conclusion

No one should ever have to struggle to pay for the essential costs, to have to choose between heating or eating, yet our findings show that sadly this is the reality for many of the families we support – in Fife, and across the country.

Families have told us how poverty is affecting their mental health, how they struggle to afford internet access and transport costs. Social security payments are too low, wages are often insufficient, and the cost of living is too high. Many families are trapped in entrenched poverty, and the pandemic has exacerbated financial stress and caused increased debt. Coronavirus has shone a spotlight on the blight of poverty across Scotland.

The findings in this research illustrate the scale of the task we have ahead, collectively, as a country. The voices of these families are crucial to achieving change, yet all too often go unheard. They are not connected. In fact, there are many physical and digital barriers identified in our national research that means they cannot participate.

We all have a duty to act now on what they have told us. We must be bolder in our commitments. We must talk not just of mitigation and poverty reduction, but how we can work together to eliminate poverty entirely. Scotland’s families deserve nothing less.

## Reflections and Next Steps

Over the course of the pandemic urgent and important support has been provided through the third sector, local authorities, and community groups to mitigate the worst impacts of the COVID-19 pandemic. The work undertaken at a local level, in Fife and indeed all across Scotland, has given children, young people, and families vital financial lifelines.

Includem particularly welcomes the commitments made to improve opportunities for young people and families to participate in decision-making in Fife, including through improving digital access, and the payments made to parents/guardian to tackle food insecurity.

Our findings show that for families in Fife, ‘Back to School’ costs proved to be a particularly sharp issue and we believe local, community-based initiatives such as ‘uniform swaps’ and increases in school grant uniform allowances and clothing grants could benefit families in Fife - as we move into the winter months, ensuring all children and young people have

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<sup>21</sup> <https://povertyinequality.scot/wp-content/uploads/2020/08/Scottish-Welfare-Fund-briefing-.pdf>

access to appropriately warm clothing is especially vital. Includem would be happy to contribute to the development and co-ordination of Back-to-School support schemes for families in Fife where appropriate and we will ensure that the families we work with are accessing their entitlements including the clothing grant.

We are further conscious of the links between poverty and trauma and, as a youth support charity providing intensive family support services, we know the importance of holistic family support in promoting recovery from trauma. We know that many of these parents are furthest from the job market due to their unresolved trauma which is often intergenerational. Trauma-informed holistic family support can help enable and empower young people and families to overcome the impact of trauma and gain the confidence to enter and/or maintain employment and ultimately provide a potential route out of poverty.

Our national research tells us that, further, we require wide-ranging economic change at a national level to give families a consistent financial foundation. As such, our national poverty report outlines a series of national recommendations for The Scottish Government (outlined in Appendix 1) based on what the young people and families we support have told us needs to change.

Includem intends to conduct further research on the impact of poverty, which will be driven forward by peer researchers that are former service users of Includem. This will be a deep dive into a small number of families' experiences across Scotland that will represent Priority Groups identified in Fife's anti-poverty plan and we hope this can help contribute to Fife's work in hearing from lived experienced voices.

*Includem would like to thank Dr Briega Nugent for her leadership in designing this study and for her thorough analysis of the results. We would also thank Dunlossit and Islay Community Trust whose generous grant provided the finances for the project.*

## Appendix 1 -National Recommendations

Includem set out a range of national recommendations we would like to see the Scottish Government act upon in line with the voices and experiences of the families we support:

- **All children and young people to have access to healthy and nutritious food at all times.** No family should have to worry about where their next meal is coming from or the impact on finances through the loss of access to free school meals in holidays or in another period of lockdown.
- **Digital inclusion should be seen as a right and not a privilege.** This is more than just providing devices or access to the internet. Families need to know that they can pay to charge them, repair them, or replace them. They need support to be confident in their safe use and to ensure they are protected from exploitation whether that be through scams, grooming or any other digital harm. With young

people expected to access schools and services via digital means, access to the internet should be viewed as a basic human right.

- **An income that is sufficient to ensure no family has to choose between heating and eating.** They should be able to meet all basic needs. The benefits system needs to be easier to access, it should be clearer what everyone’s entitlement is, and sanctions and caps should not push families further into debt.
- **A government grant to meet housing costs for families at risk of eviction due to rent arrears and overall levels of debt.** The current exemption on eviction for rent arrears is only delaying what feels like the inevitable for our families. They are in not in a position to reduce their debt in the current circumstances and for many their level of rent arrears is increasing. The introduction of a Tenants Hardship Loan only moves the debt around –it does not improve the financial situation of our families who daily have to choose what basic needs they will not be able to provide for their children.
- **More affordable public transport, with a long-term plan for free public transport across Scotland.** We agree with the Poverty and Inequality Commission’s recommendation that the Scottish Government and Transport Scotland should ‘adopt a rights-based approach to transport that recognises access to suitable transport, no matter your level of income or where in Scotland you live’. We would like to see more immediate action to make public transport more affordable, with a long-term plan to make public transport free at the point of use for all – so our families can readily access employment, appointments, and a greater range of choice to purchase food and other essentials.
- **The Scottish Child Payment is needed now.** Particularly for single parent families and families with teenagers. Families with teenagers are not expected to benefit from the Scottish Child Payment until 2022. With the average cost of raising a teenager coming in at over £400a month, families with teenagers cannot wait another two years for support. Given what families have told us about their worsening financial situation, we believe that £10 per child per week is not enough. We want the government to engage with families to identify how much more they need to lift them out of poverty and give them financial independence. Further, we agree with calls for an interim payment made by Joseph Rowntree Foundation to provide more immediate support.