



Ipsos MORI
Social Research Institute

February 2017

Living Well in a High Cost Economy

In-work poverty in Shetland

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Executive summary

Background

The nature of poverty in the UK is changing and there are now almost as many households in working poverty as in out-of-work poverty. In 2014/15, more than half (55%) of the individuals living in relative poverty in Scotland were in households with at least one working adult. A key priority for Shetland Community Planning Partners in its Local Outcomes Improvement Plan (LOIP) is to understand more about working families in Shetland who are struggling financially and to gather data and information where there are currently gaps in understanding relating to in-work poverty. As part of this plan, Shetland Community Planning Partners commissioned Ipsos MORI and Donald Hirsch of the University of Loughborough to carry out research to inform Shetland's response to the growing issue of in-work poverty in the Isles.

The main aims of the research were to better understand:

- the scale and characteristics of in-work poverty in Shetland
- the nature and impact of in-work poverty on individuals and their families in Shetland
- the views of employers on their role in reducing in-work poverty.

Methodology

The research comprised four phases:

- analysis of relevant data from the Scottish Household Survey
- 20 face-to-face in-depth interviews with individuals in Shetland identified as experiencing in-work poverty
- 15 telephone in-depth interviews with employers in Shetland
- a workshop with key stakeholders to develop recommendations for addressing in-work poverty in Shetland.

Key findings

The level of in-work poverty in Shetland

In the absence of official estimates of in-work poverty¹ at local authority level, Scottish Household Survey (SHS) data was used to estimate the prevalence of in-work poverty in Shetland, compared with Scotland as a whole. Among households with at least one working adult, we estimated that 6% of people in working households in Shetland were in poverty, compared with 10% in Scotland, 9% in Eilean Siar and 11% in Orkney. However, the extent to which poverty was experienced by working households was quite similar in Shetland and Scotland.

¹ For this analysis, a household experiences in-work poverty when there is at least one working adult and their net equivalised household income is below 60% of the Scottish median.

Looking at poverty after housing costs, the relative position of Shetland compared with Scotland improves a little. In Scotland, there is a marked increase from 17% to 22% in the proportion of the population in poverty, after housing costs are considered, whereas the percentage of the population in poverty in Shetland is much the same – 6% before and 7% after housing costs. However, when taking into account the Minimum Income Standard (MIS) for living in Shetland, the position changes.

The MIS specifies the household budget needed to provide a decent standard of living. On average, across Shetland, analysis of MIS requirements, considering the additional cost of living on the outer islands, gives a (rounded) benchmark income of 120% of the UK median (after housing costs) to meet minimum income standards. On this basis, we estimate that almost half of people in Shetland (49%) live in households with an income less than the MIS benchmark income, compared to 36% for Scotland as a whole. Even in working households, 42% of people are in households with an income below the MIS threshold, compared to 29% across Scotland.

Thus, when compared to median incomes before and after housing costs both relative and in-work poverty appear less problematic in Shetland because of a combination of higher median incomes and lower housing costs. However, when higher living costs are incorporated through the MIS the position is reversed and Shetland has a higher proportion of both households in general and working households facing difficulty maintaining a decent standard of living than Scotland as a whole.

The lived experience of in-work poverty in Shetland

The in-depth interviews with individuals in Shetland experiencing in-work poverty provided personal accounts of the types of issues households faced. While many of these issues were similar to those experienced by households in in-work poverty across the UK, several were unique to, or exacerbated by, living in a remote, rural location like Shetland.

The employment opportunities available to residents were limited. Those in low-paid employment found it difficult to progress to a role with a notably higher salary, or to find better paying work in Shetland, leaving them effectively trapped in low-paid roles, usually in cleaning, care work, educational support, service and retail positions. Most commonly, participants were working in part-time positions; up to 30 hours per week.

Some of the main barriers to finding better employment included:

- a lack of suitable vacancies
- the cost of travelling to work for those in outlying locations on the Mainland or Islands
- finding affordable childcare which made working viable, or work with hours which fitted around child caring responsibilities.

Participants routinely struggled with some expenses, which had a significant impact on their quality of life. After paying essential bills, mainly rent/mortgage, Council Tax, electricity and phone/internet, participants often found themselves running out of money towards the end of the month, or in some cases even sooner, meaning that affording other basic living expenses could be a struggle.

All participants, regardless of their financial situation, reported occasional or consistent difficulties paying for electricity. Almost all relied on electric heating, and electricity bills of £150-200 per month were common. These bills were particularly

difficult for those in council or housing association accommodation, which were often thought to have poor insulation, inefficient storage heating and/or problems with damp, making them difficult to keep warm. Due to the cost of electricity, participants often said they couldn't heat their house effectively, particularly in winter. In some cases, adequately heating their home meant cutting back on other expenses, such as food.

The cost of fuel and car maintenance also proved a challenge for participants, particularly those with a daily round trip of an hour or more and/or who relied on a vehicle for work. These costs limited where they could work or the minimum hours they could work for.

Towards the end of the month, participants often struggled to afford food shopping and had to cut back on fresh fruit or vegetables, or buy cheaper, lower quality brands. Affording food was especially challenging for those living in remote locations without easy access to a supermarket, who were reliant on more expensive local stores. In some rare cases, participants told of going without food towards the end of the month to ensure there was enough to feed their children, while others had used the food bank to help them cope.

All participants said that they found the travel costs associated with leaving Shetland extremely difficult to afford. Consequently, none of the participants could afford annual holidays. Some of these participants, particularly those who were incomers to Shetland, said that they had not seen their parents for years or had been unable to attend the funerals of close family members. Because of these difficulties, some participants felt isolated or worried about the deterioration of relationships with family or friends outside Shetland.

The impact of in-work poverty

The financial difficulties caused by living on a low income were found to have a number of negative impacts on participants' lives – mainly on their mental health and family relationships. Some participants suffered from mental health problems caused by financial pressures. For these participants, household finances were "a perpetual worry", that caused anxiety, stress or depression. Several participants appeared very weary and downtrodden and became upset when describing the difficulties living on a low income were causing them.

Participants' financial situations also caused tension and relationship difficulties with partner or children. Parents described how their relationships with their children could be strained due to the fact that they could not buy them the things they wanted.

Seeking advice and support

It was common for participants to have sought financial advice and support. Most had approached the Citizen's Advice Bureau (CAB), for advice on issues relating to redundancy, benefit entitlement and general financial support.

Among those who had not sought advice or support, there was a concern that "word travels" in a small community and "everybody knows your business", so seeking support from external agencies would be tantamount to 'publicising' your financial difficulties.

Employers' perspectives

The interviews with employers explored the different ways they supported and provided positive outcomes both for their employees and local communities in Shetland, to help gauge the role they may, or may not, play in supporting staff on a low income.

Across the board, employers expressed a duty to support their local community and employees. In addition to basic pay and conditions, employers supported their employees through benefits and incentive schemes, as well as one-off support for employees with incidents of financial distress.

In their conditions of employment, and more broadly through systems of staff benefits, some employers offered flexible working hours and home working as both general entitlements for all staff and additional flexibility for staff with caring responsibilities. Financial support offered included paying the voluntary accredited UK Living Wage, profit-related bonuses and Christmas bonuses. Benefit schemes included childcare vouchers, cycle-to-work, staff discounts, subsidised accommodation, and subsidised travel (including help with the cost of getting to mainland UK) were help with some major costs identified by research participants.

The employers said that they generally tried to recruit from among the local community but commonly experienced significant challenges in doing so. Three issues were highlighted: the high level of employment, making it difficult for all employers to find staff with suitable skills or qualifications; difficulty attracting people to move to Shetland; and competition from higher-paying employers, especially the oil industry, forcing up wages even in relatively low-wage occupations.

Almost all of the employers had heard of the voluntary accredited UK Living Wage, with most paying their employees at this level or higher. However, employers in the retail, food and drink or business services sectors, who employed lower skilled, manual workers, did not pay the Living Wage to all or most of their employees.

Given the range of employers, views on the suitability and practicality of paying the Living Wage were mixed: most were in favour in principle, with some already paying at or above the Living Wage, but others expressed concern at the impact on competitiveness or, in the Third Sector, the effect of increased wage costs in a context of budget pressures and cuts.

Action planning workshop with key stakeholders

The research and subsequent workshop among key stakeholders identified a number of actions that the Shetland Community Planning Partnership might take to tackle the problem of in-work poverty in the Isles:

Recommendations

- **Sharing the findings widely throughout Shetland** to increase understanding of the challenges faced by low income working households. This will assist in ensuring households get the formal and informal support required to improve their quality of life, and to normalise support seeking.
 - Make a Difference sessions, designed to tackle loneliness, isolation and stigma in Shetland, are being led by the Shetland Partnership. Part of the aim of these sessions is to encourage communities to support vulnerable people to access support.
 - *This work is supported by the Community Learning and Development Partnership.*
- **Promoting the research among the Scottish Government** to highlight the challenges of life in Shetland and show that a 'one size fits all' approach is not suited to remote rural areas in Scotland.

- The research has been presented at a Shetland Partnership Seminar, attended by the Scottish Minister for Social Security. There is a need to ensure the research is used to inform relevant areas of discussion between Shetland services and Government.
- *This work is supported by the Shetland Partnership, and partner organisations*
- **Use the Minimum Income Standard thresholds** as a means of reviewing and challenging existing policy, and guiding future decision making across organisations in Shetland.
 - *This work is supported by the Development Partnership.*
- **Reduce Household Costs**, including:
 - **Food costs:**
 - **Fair Food was awarded funding through Community Choices** and will work with people struggling to afford to eat, to find sustainable long-term solutions to hunger in Shetland. The pilot will conclude in March 2018, and should be rolled out.
 - *This work is supported by the Welfare Reform and Financial Resilience Group.*
 - **Travel Costs:**
 - **The provision of 'fair fares' in Shetland** – use the research as an evidence base to work with internal (e.g. SIC and ZetTrans) and external transport providers (e.g. Lifeline Transport), to explore the potential for providing travel concessions (from 50% to 100%) for local people across the Isles.
 - **Additional joint working between SIC and ZetTrans** to encourage travel behavioural change in the Isles, for example through:
 - drive to work car sharing schemes
 - community-based car clubs (for example, electric car, moped and bike sharing)
 - 'active travel' and the construction of more footpaths (for example, working with developers to build footpaths in new housing schemes)
 - Employer Travel plans to encourage large, and smaller, employers to support measures which increase the take-up of active and sustainable travel options.
 - *This work is supported by ZetTrans.*
 - **Home Fuel Costs:**
 - A one stop shop for Energy Advice is delivered by Shetland Islands Citizens Advice Bureau. This service is targeted at people in Fuel Poverty who are living on low incomes through outreach provision and work to raise awareness among professionals working with vulnerable people.

- *This work is supported by the Fuel Poverty Action Group.*
- **Maximise Benefits to Households:**
 - A Financial Health Service is delivered by Shetland Islands Citizens Advice Bureau. This service is targeted at those on low incomes but additional promotion is needed to ensure those in work are aware of the support available, for example, to claim in-work benefits and to manage financial problems including debt.
 - *This work is supported by the Welfare Reform and Financial Resilience Group.*
- **Financial Education:**
 - A Financial Education Pilot Project is being carried out by Shetland Islands Citizens Advice Bureau. This project targets young people in Primary 6, Secondary 2 and Secondary 5, and work is also being carried out with Looked After Young People. The review of this pilot will consider how Financial Education might be extended to other target groups.
 - *This work is supported by the Welfare Reform and Financial Resilience Group.*
- **Maximise income from employment:**
 - **Promote the business and economic benefits of a more diverse workforce** – in particular, encourage employers to adopt policies such as flexible working to help target gender-based occupational segregation.
 - **Continue to prioritise succession planning within existing businesses**, including targetting businesses with an ageing ownership to create more opportunities for career advancement and ensure jobs are made available to local people and remain in Shetland. HIE already offers all account managed businesses specialist succession planning support and Business Gateway has been key to highlighting the benefits of a diverse workforce.
 - **Promote business start-up support to those in part-time work, particularly women, in order to highlight the potential of self-employment for maximising income.** For example, through creative/ideas generation support and intensive business start-up support.
 - **Look at opportunities to use digital technology to support and promote flexible working and service delivery.** For example, ensuring reliable broadband provision in remote, rural locations to allow home working, business start up and growth.
 - *This work is supported by the Development Partnership.*
 - **Continue to implement the Scottish Government's Blueprint for 2020: the Expansion of Early Learning and Childcare in Scotland**, to meet the needs of working parents. Three pilots are currently underway, with rollout to remaining settings from autumn 2017. A Scottish Government trial is running in Urafirth, delivering up to 1,140 hours of free early learning and childcare for three and four year olds and some two year olds. Two additional settings will be coming on board in August 2017. A service delivery plan is being prepared to identify how the extended hours will be phased in across all settings by 2020.

- *This work is supported by Expansion of Early Learning and Childcare Project Board.*

The Development Partnership within Shetland's Community Planning Partnership, will take responsibility for ensuring the changes required are implemented and monitored. Delivery strategies include Shetland's 10 Year Plan, Local Housing Strategy, Fuel Poverty Action Plan, Local Transport Strategy, Expansion of Early Learning and Childcare Plan, and Welfare Reform & Financial Resilience Action Plan.

1. Introduction

Background

In-work poverty occurs when a household has a net income before housing costs that is less than 60% of the median income, despite at least one adult in the household working full-time or part-time. There is growing recognition that the nature of poverty in the UK is changing and that there are now almost as many households in working poverty as in out-of-work poverty. A recent report published by the Scottish Government² notes that in 2014/15, more than half (55%) of the individuals living in relative poverty in Scotland were in households with at least one working adult. Put another way, 8% of all working age adults in Scotland were experiencing in-work poverty. Further, of the 17% of children in Scotland living in relative poverty, 67% were in households experiencing in-work poverty.

Existing research, including Ipsos MORI's 'Hard Work, Hard Times: in-work poverty in Glasgow', has confirmed a number of causes of in-work poverty.³ Chief among these is low pay and in many cases a low-pay, no-pay cycle where individuals are trapped in a succession of temporary, low-paid jobs with few opportunities for skills development or advancement. Families relying on one earner, particularly families with young children, with childcare and travel costs; and single- and dual-earners who cannot increase their working hours are also likely to experience in-work poverty. Further, certain groups are more likely than others to be at risk of in-work poverty, including women, young people, people with disabilities, those in part-time or casual employment and those who work in the retail, agricultural, hospitality and social care sectors.⁴ This is particularly pertinent to Shetland, which has a larger proportion of workers in part-time employment than mainland Scotland, and large proportions working in the health and social work, agriculture and retail trade industries.⁵

Those experiencing in-work poverty in remote or rural locations, such as Shetland, face added challenges.⁶ Indeed, it has been estimated that a minimum acceptable standard of living in remote rural Scotland typically requires between a tenth and a third more household spending than in urban parts of the UK. For example, households in areas such as Shetland often pay more for energy, due to inefficient housing, a harsh climate and no access to the gas grid, forcing them to use more expensive fuels like electricity and oil. Further, difficulty accessing larger supermarkets means households often rely

² The Scottish Government, 2016, 'Poverty and income inequality in Scotland: 2014/15.' <http://www.gov.scot/Resource/0050/00502180.pdf>

³ Ipsos MORI, 2014. 'Hard Work, Hard Times: in-work poverty in Glasgow'. <http://www.glasgowcpp.org.uk/CHttpHandler.ashx?id=22488&p=0>; Citizens Advice Scotland, 2015. 'An End to In-Work Poverty'.

<http://www.cas.org.uk/system/files/publications/In%20Work%20Poverty%20briefing%20-%20Scottish%20Parliament.pdf>; Tripney et al, 2009, 'In-work poverty: a systematic review' Department for Work and Pensions: London.

⁴ Hudson et al, 2013, 'In-work poverty, ethnicity and workplace cultures' Joseph Rowntree Foundation: York; Hurrell, A., 2013, 'Starting out of getting stuck? An analysis of who gets trapped in low-paid work – and who escapes' The Resolution Foundation: London; Living Wage Commission, 2014, 'Working for poverty: The scale of the problem of low pay and working in the UK' Low Wage Commission: London.

⁵ Highlands and Island Enterprises, 2014. 'Shetland Area Profile: May 2014'. <http://www.hie.co.uk/regional-information/area-information/shetland/economic-profile.html>

⁶ Shetland's Commission On Tackling Inequalities, 2016. 'On Da Level Achieving a Fairer Shetland'. http://www.shetland.gov.uk/equal-shetland/documents/OnDaLevel_Full_Version_13_April_16.pdf; Ipsos MORI, 2015. 'Poverty Premium in Scotland: research for Citizens Advice Scotland'; Highlands and Islands Enterprise, 2016, 'A minimum income standard for Remote Rural Scotland – A Policy update.' <http://www.hie.co.uk/common/handlers/download-document.ashx?id=90d6c2f6-a461-4ff8-9902-49f073765e39>

on smaller shops selling more expensive food or rely on travelling to access cheaper deals. This places additional strains on households on a low income.

In response to findings showing a recent growth in low income households in Shetland,⁷ a key priority for Community Planning Partners in Shetland's Local Outcomes Improvement Plan (LOIP) is to understand more about working families in Shetland who are struggling financially and to gather data and information where there are currently gaps in understanding relating to in-work poverty. As part of this plan, Community Planning Partners in Shetland, led by the Development Partnership, commissioned Ipsos MORI and Donald Hirsch of the University of Loughborough to carry out research to inform Shetland's response to the growing issue of in-work poverty in the Isles.

Research aims

The main aims of the research were to help Community Planning Partners in Shetland better understand:

- the scale and characteristics of in-work poverty in Shetland
- the nature and impact of in-work poverty on individuals and their families in Shetland
- the views of employers on their role in reducing in-work poverty.

The findings from these three elements would be used to develop recommendations for addressing in-work poverty in Shetland.

Methodology

The research comprised four phases:

- analysis of data from the Scottish Household Survey (SHS)
- 20 in-depth interviews with individuals in Shetland identified as experiencing in-work poverty
- 15 in-depth interviews with employers in Shetland
- action planning workshop with key stakeholders.

Data analysis

In the absence of official estimates of in-work poverty at local authority level we used the Scottish Household Survey (SHS) to estimate the prevalence of in-work poverty in Shetland and compared this with Scotland as a whole. The Scottish Household Survey uses robust random sampling methods and collects data on household composition, income and labour market activity, allowing us to derive estimates of in-work poverty in Scotland and in Shetland. Analysis was carried out on a special dataset created by combining three years of data from the Scottish Household Survey to give a sufficiently large sample size for Shetland. The resulting data file had 31,660 cases for Scotland and 833 for Shetland.

⁷ Community Planning Partners in Shetland, 2016. 'Shetland's Local Outcome Improvement Plan'.
http://www.shetland.gov.uk/about_performance/documents/SOA2016-20draftstructure_FINAL_240616_incpartnerscontributing.pdf

In-depth interviews with householders experiencing in-work poverty

A total of 20 in-depth interviews were conducted with Shetland residents assessed to be experiencing in-work poverty. As this was a relatively hard to reach audience, the sample was purposively identified through the 2014 and 2015 Scottish Household Survey recontact database – those participants in the Scottish Household Survey who agreed to be recontacted for further research.

All prospective respondents were told the aims of the research and why their participation was being sought before being invited to take part in an interview. Those agreeing to take part were then screened to ensure that they were eligible. In practice this meant checking that they were working and that their household income was at or below the relative poverty threshold⁸ pertaining to their family structure (e.g. single person with no children; couple with children aged 5 and 14 etc.).

Every effort was made to ensure that the sample included a range of people in terms of their sex, working status (part-time or full-time), family structure (including single and two parent families, as well as those with no children in their household) and location (Mainland Shetland and Isles).

The final, achieved sample included:

- fourteen females and six males
- eleven people from two parent families; seven from single parent families and two people living alone
- thirteen people who identified as 'White Scottish', five who identified as 'White English' and two with a Black and Minority Ethnic (BME) background
- three people in full-time employment, 13 in part-time employment, and four who were self-employed
- sixteen people from Mainland Shetland and four from the Isles.

The interviews provided personal accounts of the experience of in-work poverty in Shetland and identified the types of issues households faced. Participants were asked about:

- their current household and employment situations
- their views on their current employment and any barriers to finding better work, such as a lack of training opportunities or difficulties in travelling to work
- how they coped on their current income, and what made it easy or more difficult to manage
- their level of financial resilience
- issues with debt
- if they have ever approached anyone for help or advice about financial worries or difficulties, and awareness of and views on any local support services.

⁸ Increased by 10% to take into account the higher costs required to achieve a minimum acceptable standard of living in remote rural Scotland.

All interviews were conducted face-to-face by members of the Ipsos MORI research team between 26th October and 2nd November 2016. All of the interviews were recorded, with participants' permission, for subsequent review and analysis. The interviews lasted up to an hour and all participants were given £25 as a 'thank you' for their time.

Interviews with employers

A total of 15 interviews were conducted with employers in Shetland. They were selected from a database provided by Highlands and Island Enterprise. The sample was selected to ensure a mix of employers in terms of sector and size, broadly in proportion to the overall profile of businesses in Shetland. Efforts were also made to recruit a mix of employers who paid their staff above or below the voluntary accredited UK Living Wage.

The final sample comprised:

- employers in the following sectors: business services (3), civil engineering/construction (2), retail (2), creative industries (2), fishing industries (2), public and third sector/charity (2), tourism, food and drink (1) and energy oil or gas (1)
- eight employers with 11 to 50 employees; three with 51 to 150 employees; and two with more 151 to 250; and two with more than 250
- eight employers who paid some or all of their staff less than, and seven employers who paid all their staff above the Living Wage.

The purpose of the interviews was to better understand how employers supported and provided positive outcomes for their employees and local communities in Shetland, to help gauge the role they may, or may not, play in supporting staff on a low income. The interviews asked about:

- any actions employers take or services they offer, if any, that may have a positive impact upon their employees and local community
- any challenges or benefits in terms of recruiting and training staff in Shetland
- knowledge and views on different initiatives to combat in-work poverty, such as the voluntary accredited UK Living Wage or the Scottish Business Pledge
- other ways they may improve the positions of low income households, including working with agencies and stakeholders.

All interviews were conducted by phone by members of the Ipsos MORI research team between 25th of November and 13th December 2016. All of the interviews were recorded, with participants' permission, for subsequent review and analysis. The interviews lasted up to half an hour.

Action planning workshop with key stakeholders

A workshop was carried out with key stakeholders from Shetlands Islands Council and other local public sector organisations, with the purpose of developing recommendations for addressing in work poverty based on the findings from the first three phases of the research.

In total, 21 stakeholders attended the workshop, including staff from:

- Shetland Islands Council
- NHS Shetland
- Highlands and Islands Enterprise
- Shetland Islands Citizens Advice Bureau (SICAB)

The workshop involved:

- a presentation of the key findings from the research
- group discussions on the key findings, including participants' initial, top-of-the head thoughts and ideas for potential actions to tackle in-work poverty in Shetland
- a series of exercises to further develop ideas for actions and create a list of recommendations to tackle in work poverty in Shetland.

The workshop took place on 28th February 2017.

2. In-work poverty in Shetland

Poverty and in-work poverty in Shetland

The official measure of the level of relative poverty is to estimate the number and percentage of the population with a household income, after tax, and adjusted to take account of household size and composition, that is less than 60% of the median household income.⁹ The official estimate for Scotland uses the UK median income as its threshold. The most recent estimate is that 15% of people in Scotland are in relative poverty.¹⁰

There are no official sub-national estimates of the level of poverty, although various estimates have been made. Work by Bramley and Watson¹¹ estimated that the median net equivalised household income in Shetland was the fourth highest in Scotland (behind East Renfrewshire, East Dunbartonshire and Aberdeenshire). No detailed figures are given in the report but reading from the scale on one of their charts suggests a median income before housing costs of approximately £425 per week (£22,500 annually) in 2008/09. Similar estimates by the Scottish Government published in 2010 (also using data from 2008)¹² suggested that 15% of households in Shetland were in relative poverty, lower than for Scotland (19%). Finally, in the most recent analysis of relative deprivation in Scotland, SIMD 2016, all but one of the datazones in Shetland are in the least deprived half of the ranking of datazones in terms of income deprivation and 17 of the 30 datazones are in the least deprived 30% of datazones. In general terms, Shetland incomes seem to be higher and income deprivation appears to be lower than the average for Scotland.

Previous sub-national estimates of poverty have relied on the data from the Scottish Household Survey and we have continued that in our analysis of in-work poverty in Shetland. Although the number of SHS interviews in Shetland is greater than a proportionate share of the Scottish population, each annual sample is still relatively small, especially when we are analysing something like poverty that might affect 15% of the population. To overcome this, three years of SHS sample have been combined to give a total sample of 31,610 interviews in Scotland and 833 in Shetland. The Shetland sample, however, still allows only limited analysis.

Incomes and in-work poverty in the Scottish Household Survey

The Scottish Household Survey (SHS) collects detailed information on household income about the highest income householder and, where they have one, their spouse. No information about the incomes of other adults in the household is collected. This means that the SHS tends to understate income in comparison with the Family Resources Survey, although comparison of the SHS with other sources has otherwise found its estimates to be reliable, except for households with multiple adults. Since our analysis of incomes is within the SHS, with the aim of comparing Shetland and Scotland, this limitation of the SHS is likely to have little impact on the relative position of Scotland and Shetland.

⁹ For the sake of brevity, we will use 'median household income' instead of the full 'net equivalised median household income'.

¹⁰ Poverty and Income Inequality in Scotland: 2014/15 <http://www.gov.scot/Resource/0050/00502180.pdf>

¹¹ Local Incomes and Poverty in Scotland: Developing Local and Small Area Estimates and Exploring Patterns of Income Distribution, Poverty and Deprivation (2013) <http://www.improvementservice.org.uk/assets/local-incomes-poverty-scotland.pdf>. The estimates are derived from Scottish Household Survey and Family Resources Survey data. The chart referred to is Figure 3.3 on page 22.

¹² Relative poverty across Scottish Local Authorities (2010) <http://www.gov.scot/Publications/2010/08/26155956/32>

Consistent with previous analyses showing higher incomes in Shetland relative to Scotland, the SHS shows median net equivalised household income in Shetland in 2012-15 to be £28,900 compared with £24,000 in Scotland. At the lower end of the income scale Shetland incomes are also higher. Lowest quartile incomes are £20,500 compared with £16,100 in Scotland.

The difference in median incomes is largely a reflection of the higher percentage of households in Shetland with any working adults – 73% of households in Shetland have at least one working adult compared with 61% in Scotland, with working households having higher incomes in Shetland than Scotland.

Table 2.1: Median income before housing costs

	Shetland	Scotland
Non-working, non-pensioner households	£14,000	£13,400
Non-working, pensioner households	£18,800	£18,500
Working households	£32,400	£27,800

Higher incomes in Shetland means a lower level of poverty, since this measure uses a threshold based on the Scottish median. Using a poverty threshold set at 60% of Scottish median income, we estimate that 11% of people in Shetland are in relative poverty – they live in a household with a net income that is less than 60% of the Scottish median. This compares with 17% in Scotland and 15% and 19% in the other island authorities of Eilean Siar and Orkney respectively.

Among households with at least one working adult, we estimate that 6% of people in working households in Shetland are in poverty, compared with 10% in Scotland, 9% in Eilean Siar and 11% in Orkney.

However, the extent to which poverty is experienced by working households is quite similar in Shetland and Scotland. Although the level of poverty in Shetland is lower than in Scotland, among the people in Shetland in relative poverty, 45% are in working households compared with 42% of people in poverty in Scotland.

Housing costs

Shetland has one of the highest rates of home ownership in Scotland, with 41% of households in the SHS reporting that they own their home outright compared with 30% nationally. These households will have low to negligible housing costs.

Generally, within each tenure category, housing costs in Shetland tend to be a little lower than average.

Table 2.2: Average housing costs in each tenure group, Scotland and Shetland

	Scotland	Shetland
Buying with mortgage/loan	£4,500	£4,300
Own it outright	£100	£ -
Part rent/part mortgage	£3,600	£3,300
Rents (including rents paid by housing benefit)	£4,000	£3,800
Living here rent free	£ -	£-
Average all tenures	£2,900	£2,300

Poverty after housing costs

The combination of higher incomes and lower housing costs means, when we look at poverty after housing costs, the relative position of Shetland compared with Scotland improves a little. In Scotland, there is a marked increase from 10% to 16% in the proportion of working households in poverty, after housing costs are considered, whereas the percentage of working households in poverty in Shetland remains much the same – 6% before and 7% after housing costs.

Table 2.3: Summary of poverty measures for Shetland and Scotland based on SHS income data

	Shetland	Scotland	Shetland as % of Scotland
People in all households: Median income before housing costs	£28,900	£24,000	120%
People in all households: Median income after housing costs	£26,200	£20,800	126%
People in all households in poverty before housing costs	11%	17%	65%
People in working households in poverty before housing costs	6%	10%	60%
People in all households in poverty after housing costs	12%	22%	55%
People in working households in poverty after housing costs	7%	16%	44%

The minimum income standard in Shetland

The Minimum Income Standard (MIS) specifies the items that need to be included in a household budget to represent a decent standard of living. The budgets take account of the needs of different household types and the cost of meeting these needs in the communities where people live. This is particularly important in remote and rural Scotland and research on MIS has been undertaken to assess the impact of living in these communities.¹³ This research found that the minimum cost of living in remote rural Scotland ranges between one tenth and one third more than the equivalent in urban Britain. On average, across Shetland, analysis of MIS requirements, considering the additional cost of living on the outer islands, gives a (rounded) benchmark income of 120% of the UK median (after housing costs) to meet minimum income standards.

On this basis, we estimate that almost half of people in Shetland (49%) live in households with an income less than the MIS benchmark income. Even in working households, 42% of people are in households with an income below the MIS threshold. For comparison, in the UK, the Minimum Income Standard represents around 80% of median income for non-pensioner households. Using this as a benchmark for Scotland, 36% of all people live in households with an income less than the Scottish MIS threshold and 29% of people in working households are below the MIS threshold.

Thus, when compared to median incomes before and after housing costs both relative and in-work poverty appear less problematic in Shetland because of a combination of higher median incomes and lower housing costs. However, when higher living costs are incorporated through the Minimum Income Standard the position is reversed and Shetland has a higher proportion of both households in general and working households facing difficulty maintaining a decent standard of living than Scotland as a whole.

¹³ Highlands and Islands Enterprise, 2016, 'A minimum income standard for Remote Rural Scotland - A Policy update.' <http://www.hie.co.uk/common/handlers/download-document.ashx?id=90d6c2f6-a461-4ff8-9902-49f073765e39>

Table 2.4 below illustrates the types of households most likely to be experiencing difficulty because their income is below the MIS threshold. It shows that whereas in Scotland 23% of single adult households face hardship, the corresponding figure in Shetland is 43%. Similarly, a higher percentage of small families (two adults and one or two children) in Shetland face hardship. For other household types the differences, although consistently higher in Shetland, are not statistically significant and the sample sizes for single parents and pensioner households are too low to give reliable estimates.

Table 2.4: Percentage of working households of each type with an income below the relevant MIS threshold

Household type ¹⁴	Scotland - income less than 80% of median income	Shetland - income less than 120% of median income	Shetland base
Single adult	23%	43%**	130
Small adult	20%	27%	134
Single parent	55%	*	23
Small family	31%	50%**	105
Large family	41%	50%	76
Large adult	22%	33%	82
Older smaller	25%	*	41
Single older	15%	*	14

* Suppressed percentages where there are fewer than 50 respondents in SHS

** Differences between Scotland and Shetland are statistically significant at 95% confidence limits

¹⁴ The eight household types are defined as follows: A **single adult** household – contains one adult of working age and no children. Working age is defined as 16-65; A **small adult** household – contains two adults of working age and no children; A **single parent** household – contains one adult of any age and one or more children; A **small family** household – contains two adults of any age and one or two children; A **large family** household – contains two adults of any age and three or more children, or three or more adults of any age and one or more children; A **large adult** household – contains three or more adults and no children; An **older smaller** household – contains one adult of working age and aged 65 or over and no children, or two adults aged 65 or over and no children; A **single older** – household contains one adult aged 65 or over and no children.

3. The lived experience of in-work poverty in Shetland

Households experiencing in-work poverty in Shetland

While limited by the small sample size¹⁵, analysis of the profile of households experiencing in-work poverty in Shetland using SHS data indicates a dominance of self-employed, semi-routine and routine occupations. Self-employed and semi-routine occupations appear to be substantially over-represented – more than twice as prevalent among households experiencing in-work poverty than in the population.

Another way of trying to look at the characteristics of in-work poverty is to analyse the Scottish data, looking at the combinations of characteristics that typify households experiencing in-work poverty in Scotland. Examining the prevalence of households with these characteristics in Shetland shows that broadly speaking, the categories of household and occupations that are most likely to experience in-work poverty are no more prevalent in Shetland than they are in the rest of Scotland. This suggests that although the Shetland economy has distinctive structural and sectoral features, the occupations where in-work poverty is most common are similar across Scotland – low skilled, routine process and unskilled manual work, including agricultural work. The household types experiencing IWP are also similar – single adults, small families and large families.

Taken together, in-work poverty is most prevalent in larger households – multiple adults or households with three or more children where the highest income householder is in a low-skilled and routine occupation, although in total, these combinations of household and occupational characteristics do not appear to be more prevalent in Shetland than elsewhere.

The profile of households of those participating in the in-depth interviews were broadly in line with the findings above and existing research on in-work poverty.¹⁶ Typically, those interviewed were: families with two or more children; households reliant on one earner; single- and dual-earners not working enough hours; women; those in part-time and self employment; and those working in the retail, hospitality and service, and social care sectors. The majority of those interviewed were living in council or housing association accommodation.

The following sections in this chapter outline the specific issues that participants were facing on a day-to-day basis, mainly issues related to: jobs and looking for work; coping on a low income; financial resilience; health and relationship issues; and seeking advice and support. Throughout this section, we also draw on findings from the employer interviews.

¹⁵ Although the total sample available is reasonable, despite merging three years of SHS data there are only 41 households in Shetland that meet the official definition of experiencing in-work poverty, allowing only limited analysis specific to Shetland and giving only a broad indication of those likely to be experiencing in-work poverty.

¹⁶ Ipsos MORI, 2014. 'Hard Work, Hard Times: in-work poverty in Glasgow'. <http://www.glasgowcpp.org.uk/CHttpHandler.ashx?id=22488&p=0>; Citizens Advice Scotland, 2015; Living Wage Commission, 2014, 'Working for poverty: The scale of the problem of low pay and working in the UK' Low Wage Commission: London; Hudson, M., Netto, G., Sosenko, F., Noon, M., de Lima, P., Gilchrist, A. and Kamenou-Aigbekaen, N., 2013, 'In-work poverty, ethnicity and workplace cultures' Joseph Rowntree Foundation: York.

Employment in Shetland

Due to the distinctive economic structure and limited industry operating in Shetland – along with the size and isolation of the area – the employment opportunities available to its residents were limited. As a result, those in low-paid employment found it difficult to progress to a role with a notably higher salary, or to find better paying work in Shetland, leaving them effectively trapped in low paid roles, usually in the services sector.

Another factor contributing to the hardship of people in in-work poverty, was the need to run a car in order to work. Unlike other locations, where for those in poverty, having a car would be seen as more of a luxury purchase, for many participants, owning a car was crucial to enabling them to find work. The high cost involved with purchasing, maintaining and running a car, along with the often long commutes in rural areas, was an additional financial burden on those already struggling.

Employment contracts tended to be permanent, which offered a consistent and largely secure long-term income. There was also a high level of job satisfaction.

Types of work

As highlighted in Section 1, although Shetland has distinctive structural and sectoral features that are specific to the area, the occupations where in-work poverty is most prevalent are similar to those Scotland-wide. Participants interviewed for the research were commonly employed in routine or semi-routine occupations, such as cleaning, care work, educational support, service and retail positions.

Most participants had permanent contracts with regular hours and only a couple were working on zero-hour contracts. These participants therefore, mostly had a feeling of job security and although it may have been low, a consistent income.

Of the two participants on zero-hour contracts, one was employed in a business support position and the other in a service role. Shifts for both of these roles were infrequent and varied month-to-month, depending on the needs of the business. Both of these participants had another part-time job with fixed hours, which meant that this part of their income was regular and consistent.

Only one employer who was interviewed for the research employed staff on zero-hour contracts. They explained that this “pool” of zero-hour staff was useful for busier periods, and that it tended to benefit the staff also, as these contracts provided a flexible way of working; fitting around people’s individual lifestyles and routines. Examples of people who took on these positions and benefited from the flexibility they allow included students returning to Shetland for the holidays and partners of oil workers who were not able to work whilst their partner was off-shore.

Most commonly, participants were working in part-time positions; up to 30 hours per week. Although many were satisfied with their contracted hours, for those who would like to work more, the motivation was to increase their income. However, these participants tended to feel that additional hours were not available, especially for those employed by Shetland Islands Council, where there was a perception that overtime and increased contracted hours were less common than in the past, as a result of budget cut backs.

“Up till a few years ago there was [extra] work that my wife could have done, but she is restricted to X hours a week and that’s because they are trying to make cutbacks at Shetland Islands Council. No,

she couldn't put in a full week with overtime now, couldn't do that."

(Male, self-employed, Mainland)

"I would like more hours but there's not much chance... everything has been cut back"

(Female, working part-time, Mainland)

Similarly, one participant would have liked to have reduced her contracted hours temporarily, while her children were young, but was reluctant to do so, believing it to be unlikely that she could increase her contracted hours again in the future. She also felt that there was little chance of finding a new job with those increased hours elsewhere.

"I thought I would like to work less, but I didn't want to reduce my contract because it's difficult to gain the hours back again. I just didn't feel that I wanted to go down that road because jobs are few and far between now."

(Female, working part-time, Mainland)

A lack of full-time employment opportunities meant that a few participants had to take two part-time positions to increase their earnings.

Finding employment

It was common for householders to have found their current position by word of mouth meaning that incomers and other residents who are less well connected with the local community might find themselves at a disadvantage compared with other, better connected residents.

"I knew one of the ladies that worked in the office and she heard of the jobs coming up, so she phoned and told me, it was word of mouth really."

(Female, working part-time, Mainland)

Other methods were used, however, with some participants finding work through the Job Centre, local newspapers, social media and websites.

Interviews with employers found that they did regularly advertise positions in both local and national media. Only a few used word of mouth, and for those who did, this was accompanied by another source, meaning that employment opportunities in Shetland were not always restricted to those who were well connected within local communities.

Barriers to finding employment

Participants mostly found their jobs with relative ease. Among those who *had* experienced problems finding employment, barriers were thought to include: a lack of suitable vacancies, their location in Shetland, their lack of skills or qualifications, and childcare commitments.

There was a perception from some participants that employment in Shetland is dominated by manual or skilled labour, such as crofting, fishing or trades, and that employment in other areas and industries is limited. With a lack of such skills, one participant's experience was that they were restricted to low paid administrative roles.

"I think coming from a professional background a lot of the work is manual in terms of fish processing and there's always a demand for carpenters, engineers and we don't have those skills, so the only sort

of employable jobs would be mainly in admin."

(Male, self-employed, Mainland)

There was also a view among a small number of participants that as a result of businesses closing down and redundancies within the oil industry, the number of vacancies had reduced recently and competition for suitable vacancies had therefore increased.

"At that time [when made redundant] the oil industry was paying people off as well, so there were loads of [professionals] looking for jobs. Sullom Voe was paying all these people off, so it all kind of came together."

(Male, working full-time, Mainland)

Limited opportunities were also thought to be even more prevalent in the Isles, with employment limited to the industries and businesses operating on each island, with women largely restricted to care work and men to the particular trades on each island.

"There's nothing here apart from crofting, that's it really because there's no businesses here."

(Male, working part-time, Islands)

"I think there is such a limited choice here, I mean basically if you're a female your choice is either something at the school or in a shop or care work. For a male, there's occasionally Shetland Island Council road jobs that come up, but there are very few, maybe three or four. There's a local building firm and the salmon. So, there's not really an awful lot of choice."

(Female, working part-time, Islands)

The cost of travelling to work was a barrier for those in outlying locations on the Mainland or Islands, who relied on their car to get to work, and found that fuel costs limited where working was financially beneficial.

"By the time you've driven from here into Lerwick, it's not going to cover your fuel bill or anything else... That's why I had to leave my previous job, because it put me into so much debt just trying to get to work every day. A week in fuel was £78 a week... So by the time you've paid for the fuel, the upkeep of the car, got some messages, you were left with next to nothing. "

(Female, working part-time, Mainland)

With limited job opportunities, people living on the Isles had to look to the Mainland or neighbouring Islands for work. This was also thought to be difficult and expensive, due to the additional ferry travel costs, further limiting the potential employment opportunities for those who did not have a car or equally could not afford such costs.

"There are jobs going [on the Mainland], but to do that I would need a car. The downside is eventually I would probably end up leaving [the island], if I was to take on the job because of the cost of transportation and everything else for me."

(Male, working part-time, Islands)

Some participants acknowledged that there would be greater employment opportunities for them if they lived on the Mainland, but were unable to relocate from the Isles at this time as their children were settled in the local school.

"They love the school on [the island] and they're settled here, and they have their friends here, so I wouldn't want to take them away from that, but it is a lot easier [to find work] if you live in Lerwick."

(Female, self-employed, Islands)

Childcare was also problematic for some of the participants. The use of formal childcare was rare, due to the expense of it and also that family members commonly lived nearby and were able to provide support whilst parents were working. However, some did not want to overburden family members with childcare responsibilities, and in these cases their part-time employment tended to fit well around their children being at school, although it did limit the number of hours they could work.

Childcare arrangements were more difficult for those who did not have extended family living in Shetland. One family in this position had accepted that the mother would not work and the family would live on one income, until the children were older. This was due to their perception that the high cost of childcare meant the earnings from the mother's employment would only cover the childcare costs, and would not have made much contribution to their disposable income or lessened their financial struggles.

"If my wife was to work... we would probably be giving most of that away just for someone to look after the wee one."

(Male, working full-time, Mainland)

The family were exploring the possibility of evening work, although they had not been successful in finding a job for the mother with such hours. Another participant was aware of a friend facing similar difficulties when trying to find positions with hours which fitted around her child caring responsibilities.

"One of my friends, she has been trying to find a job for a year. Well, she does work, but she is a single mother and she doesn't have any family here, so she finds it very difficult to find a different job, a better paid job. Just because of hours she can work."

(Female, working part-time, Mainland)

In addition to this, another participant found that her employment opportunities were restricted by the lack of council provided nursery facilities for children under three years of age:

"The nurseries here are open only three hours a day. In [other countries] nursery is all day, and you can send your kid from when they are one-year-old. Whereas here it is from three. So, I find it really strange, if the nursery was on all day it would be much easier for parents to get a job."

(Female, working part-time, Mainland)

Difficulties for the self-employed

Participants who were self-employed also faced difficulties in both establishing and running their businesses long-term.

For one participant who was an incomer, they held the view that running a business was not possible on Shetland unless you are a local.

"You just can't make a go of anything like that in Shetland if you're not a Shetlander."

(Male, self-employed, Mainland)

Another participant shared this view, feeling that it was difficult to build trust and generate business if you are not from Shetland.

"A lot of the Shetlanders, not so much incomers, but Shetlanders, they will only tend to use people they know, which I can understand. Obviously they come with a good reputation there are a lot of cowboys out there as we all know, so it's all done by word of mouth if you know what I mean."

(Male, self-employed, Islands)

Problems encountered when running a business day-to-day on Shetland were mostly as a result of poor telecommunication connections. Some participants explained how poor mobile phone and internet connections had caused problems, such as a loss of work or a delay in ordering supplies for their business.

"If somebody leaves me a voicemail at ten o'clock in the morning [when I don't have a signal], that voice mail won't come in till maybe the next day, maybe the middle of the night or whatever. If I had known, I could have maybe picked up new work."

(Female, self-employed, Mainland)

"It was frustrating because on a Sunday night when we're doing the invoice for the order that's going to go in on Monday, we can't do the invoice, can't get online."

(Male, self-employed, Mainland)

Other problems included slow deliveries by the Royal Mail and bad weather preventing work.

Progression and development:

Once in employment, there was little scope for people to progress and be promoted internally and there was also little movement between organisations. For those working in small companies and organisations, opportunities for promotion depended on someone more senior leaving their role.

"I think the next job up for me is my boss's and I don't think she is going to give that to me any time soon."

(Female, working part-time, Mainland)

This problem was also highlighted in one of the employers interviewed.

"One of the biggest challenges in Shetland is that we have really high employment, so there's not as much progression for people as an employee. There's not as much opportunity to move around because there's not as many jobs available. I think there can be people who are over qualified but they have nowhere to go."

(Employer, Mainland)

The level of training given to employees reflected this, with training often being delivered to support their current role, rather than further development.

This lack of scope for progression, alongside the inability to travel outside of Shetland and the low number of vacancies, meant that those in low paid positions had had difficulty progressing and moving into higher paying roles. Therefore,

unlike the findings of previous research on in-work poverty in Glasgow¹⁷, employees were not trapped in a cycle of instability, going from one temporary job to the next, but rather trapped in a more stable situation of low pay, with few opportunities for skill development and advancement.

Job satisfaction

Despite the lack of progression and opportunity to earn a higher salary and progress professionally, job satisfaction was still high among participants. This was due to benefits such as flexible working and staff discounts, as well as a general enjoyment of what they were doing day-to-day.

Among the small number of participants who did not enjoy their jobs, the reasons included: long working hours and weeks, and finding their job “mundane” as a result of being in the same role for a number of years.

“I hate it. It’s getting very tedious and mundane now. I’ve been doing it for X years in total and its six days a week. It’s not giving you a life.”

(Male, working part-time, Islands)

Coping on a low income

It was common for participants to say they found it difficult to manage financially due to the combination of a low household income and the high cost of living. A few went further, saying that they had reached a point of crisis. Others, who initially said they were coping, described day-to-day challenges, indicating that they were experiencing hardship. The financial difficulties experienced by participants meant that some had to go without basics such as food or heating.

“I suppose life has been hard and sometimes you have been cold and sometimes you have no had much food, but you just have to manage.”

(Female, working part time, Mainland)

Most participants tried to maintain a positive outlook on their financial situations and said they were able to get by, although it could be a struggle. They often felt that “things could be worse” or were used to living on a low income so were able to accept the accompanying challenges.

“I just think that I’ve become just accustomed to living like this, I know no different. There are probably a lot of people in my same circumstances - you just end up accepting it.”

(Female, working part time, Mainland)

This outlook is reflected in the Scottish Household Survey data, which suggests that many households in Shetland, classified as unable to maintain a decent standard of living, report their situation positively. For example, 44% of households with an income less than 120% of the median income said they were managing quite well or very well financially (Table 2.1). This is higher than the 33% of Scottish households in a comparable situation who report their financial situation in positive terms.

¹⁷ Ipsos MORI, 2014. ‘Hard Work, Hard Times: in-work poverty in Glasgow’. <http://www.glasgowcpp.org.uk/CHttpHandler.ashx?id=22488&p=0>

Table 3.1: How working households with an income below the relevant MIS threshold report they are managing financially

	Scotland - income less than 80% of median income	Shetland - income less than 120% of median income
Manage very well	8%	14%
Manage quite well	25%	30%
Get by alright	46%	43%
Don't manage very well	9%	6%
Have some financial difficulties	9%	4%
Are in deep financial trouble	2%	1%

Income from benefits was one of the main reasons participants felt they were able to get by; primarily working tax credits and child benefit. Indeed, participants tended to rely on these and it was common for them to say they would struggle to cope without them and were vulnerable to any changes to their benefits.

"The blessing is we get the tax credit once a week, so that we know we'll always have a bit of money."

(Male, working full-time, Mainland)

"[I'm coping] because I have tax credits. That is very, very simply how it makes it easier. It allows me to have luxuries that certainly won't happen come the time that I don't."

(Female, self-employed, Mainland)

The perception that there were few social or commercial pressures or opportunities in Shetland, compared with living in an urban area, and so fewer expenses on these, was a key factor helping people to manage. For example, most participants said they felt little need to go out to eat or drink and most socialising took place in friends' and family's houses or in community halls. Others felt there were limited social opportunities outside of Lerwick.

"I mean there is stuff on, like you have the community hall... and if there is something on I go to it. I don't go to the hotel, to the pub. It's very limited to what you can go to on the Mainland unless you stay [in Lerwick] all night or leave early."

(Male, self-employed, Mainland)

The absence of large, high street stores and advertising meant some participants felt less pressure to buy expensive products or brand-name goods. It was common for them to say that apart from day-to-day bills and expenses their additional financial needs were minimal. Participants' leisure and hobbies – typically outdoor pursuits – often involved little cost.

Effective monthly budgeting and being careful not to live outwith their means was a key strategy in getting by on a low income.

"[Because I'm self-employed] I'm probably quite aware of my outgoings. You're very much aware of, if I don't work, I don't earn, pretty simple."

(Female, self-employed, Mainland)

"I'm not materialistic in any form. So as long as I've got enough money to feed the kids and pay the bills, keep a roof over our head I'm fine, which is pretty good really because we don't have the money"

for me to be materialistic."

(Female, working part time, Mainland)

Others still, felt that a degree of self-sufficiency – growing vegetables, repairing their house or vehicles, or getting meat from their own or a family member's croft – allowed them to get by.

Difficulties affording basic needs: electricity, fuel, food and transport

Despite the overall impression that they were getting by, it was clear that participants routinely struggled with some expenses, which could have a significant impact on their quality of life. After paying essential bills, mainly rent/mortgage, Council Tax, electricity and phone/internet, participants often found themselves running out of money towards the end of the month, or in some cases even sooner, meaning that affording other basic living expenses could be a struggle.

"Between mortgage, Council Tax and one or two other business bills, the income has disappeared and we still need to find money to pay incidental bills and to feed ourselves."

(Male, self-employed, Mainland)

"I get paid on a Friday and it's gone on a Friday. Literally, I pay my rent, I pay my council tax, I pay my electric, and that's it."

(Male, working part-time, Islands)

Electricity and heating

All participants, regardless of their financial situation, reported occasional or consistent difficulties paying for electricity. Almost all relied on electric heating, and electricity bills of £150-200 per month were common. Even those participants who used oil or coal to heat their homes reported difficulties keeping up with these expenses and were typically paying more than £100 a month to heat their homes.

"We're all electric. It's quite expensive, we've got storage heaters. At the moment we're paying £210 a month on electricity."

(Female, self-employed, Islands)

"It's horrendous... Our electricity bill is greater than our mortgage now."

(Male, self-employed, Mainland)

"This [house is] coal central heated... In a month you would need to be buying, ten, eleven bags, and that's £10 a bag, so that's £110 to come off, and I pay £40 for my [electricity]."

(Female, working part-time, Mainland)

These bills were particularly difficult for those in council or housing association accommodation, which were thought to have poor insulation, inefficient storage heating and/or problems with damp, making them difficult to keep warm.

"There's sometimes we just won't put the heaters on because we can easily go through £30 in a week. That's a lot. But, then with a house like these ones, they were built back in the 70s – there's no insulation, so we're heating the house and it's not even staying in."

(Female, working part-time, Mainland)

"The windows are lousy, they are the original ones from the 1970s."

(Female, self-employed, Islands)

Due to the cost of electricity/heating, participants often said they couldn't heat their house effectively, particularly in winter, often only heating one or two rooms, only having their heating on for part of the month. Instead they would use blankets or extra sweaters to keep warm. In some cases, adequately heating their home meant cutting back on other expenses, such as food.

"I've got one heater on this house and yet my quarterly electric bill on average is 800 quid."

(Male, working part-time, Islands)

"Sometimes we choose between eating and heating basically."

(Male, working full-time, Mainland)

Fuel and vehicle maintenance

In general, participants relied on cars, and the cost of fuel proved a challenge for participants, particularly those with a daily round trip of an hour or more. As discussed above, for some, the cost of fuel limited where they could work or the minimum hours they could work for. It was also a concern for those who had to take children to school or drive to Lerwick to carry out their household shopping.

"I do have to prioritise, because I have to get to work and we have to eat... Sometimes I have to say, even if it's pouring rain, "You have to walk [to school] today guys, I just cannot afford [the petrol costs]."

(Male, working full-time, Mainland)

"If you were having to drive back and forth to Lerwick every day it would be a significant expense... You wouldn't want to do a part time job [there], because it just wouldn't cover the expenses."

(Female, self-employed, Islands)

Vehicle maintenance was also seen as a major expense in Shetland, both in terms of the cost of maintenance and because it was regularly required due to the extreme weather conditions. Participants often felt they were "paying through the nose" for vehicle repairs in Shetland, a particular concern for those who relied on a vehicle for work.

"The van is my biggest running cost for work I would say by quite some margin. The garage service is no particularly cheap... I had the van in for a service and that was nearly £400. I have the insurance on top of that, license and then the fuel costs."

(Female, self-employed, Mainland)

Food

After ensuring household bills and other living expenses were paid, affording adequate and healthy food was a challenge for some participants. The lack of choice and an absence of discount food retailers like Aldi or Lidl meant that towards the end of the month, participants often struggled to afford food shopping and had to cut back on what they bought, including fresh fruit or vegetables, or buy cheaper, lower quality brands.

"Food is the first thing we tend to cut back on. All the regular bills are not particularly moveable."

(Male, self-employed, Mainland)

Affording food was especially challenging for those living in remote locations without easy access to a supermarket who had to buy food from more expensive local stores. Indeed, prices of £6 for two chicken breasts at local stores on the islands, which could be found for £2 in Lerwick, were mentioned by participants. The lack of larger supermarkets on the islands or outlying locations on the Mainland meant participants were unable to regularly save money buying budget brands or, for larger households, take advantage of multi-buy offers.

"I think the main problem with [local shop] prices is you're dealing with more expensive brands most of the time, so you're kind of limited in where you can save money [and] if you want to buy some crisps for the children, there is no multi packs, so you're buying single packets... If I did shop for cheaper brands [at Tesco] it would probably be a third less."

(Female, self-employed, Islands)

In some rare cases, participants told of going without food towards the end of the month to ensure there was enough to feed their children, while others had used the food bank to help them cope.

"I've run out of food a few times or I've kept food back just so I can feed my daughter."

(Male, working part-time, Islands)

Travel costs and holidays

All participants said that they found the travel costs associated with leaving mainland Shetland extremely difficult to afford. Even with the islanders' discount, participants found costs prohibitive. Those living on the outer islands faced added challenges affording the fare on the inter-island ferries. Consequently, none of the participants could afford annual holidays and it was common for them to say they left the Isles for leisure purposes only around once every three to four years. Some had not left the Isles for more than seven years.

"When we travelled south as a family of four taking the car with us, you're looking at £600."

(Male, self-employed, Mainland)

In some cases, travel costs also stopped people from visiting family on mainland UK. Some of these participants, particularly those who were incomers to Shetland, said that they had not seen their parents for years or had been unable to attend the funerals of close family members. Others reported that their (primary school aged) children had never met their grandparents. Because of these difficulties some participants felt isolated, or worried about the deterioration of relationships with family or friends outside Shetland.

"My stepdad actually died on Friday night. I can't afford to get off this island to [attend the funeral]. I'm trying to figure out a way because the flights for me and [my daughter] you're talking about £1,000."

(Female, working part-time, Mainland)

"The main challenge for us is getting off [the island]. Financially we can't afford to do it. My sons have never met their grandma and I doubt they ever will, because she is 71 and has just recovered from

cancer."

(Female, working part-time, Mainland)

"I can't even afford the £13.50 or whatever it is to go across to [the mainland]. You feel like you're in prison at times."

(Male, working part-time, Islands)

Childcare and other child-rearing costs

As discussed previously, the use of formal childcare was rare. Most participants with young children shared caring responsibilities with their partner or relied on help from grandparents. In general, it was felt that childcare in Shetland was limited, especially on the islands and what was available was expensive. Those who did use formal childcare were mainly single mothers with limited informal support options to fit around their working patterns. They relied on benefits and the Scottish Government's free childcare provision for those on a low-income (around 2.5 hours per day) to afford childcare and did not know how they would manage otherwise.

"It's very expensive, though I'm getting tax credits [since I split up with my partner] so that's helping."

(Female, working full-time, Mainland)

Parents also mentioned difficulties affording things like clothes, accessories or leisure activities. It was felt there was a limited choice of shops for cheap children's clothes and accessories in Shetland and parents often had to shop online or buy second hand. In addition, parents noted that as their children got older, they were faced with increasing pressure to send them to numerous after-school activities, typically those run at leisure centres, or to keep up with others in terms of fashions and/or technology.

"We find that we really need to start watching what we're buying, just to make sure that we have everything, especially with the cost of having the little one. It's making sure that we still have that money left over to get the nappies and formula and to get everything on top of that."

(Female, working part-time, Mainland)

"The children here they go to everything. So, you obviously don't want your children to lose out so they go to activities every day... The oldest one, she is ten, she is quite aware of what other people have: "They have all got iPads and people have got bigger houses, why can't we have a house like that?"

(Female, working part-time, islands)

Financial resilience

Having little or no money left at the end of the month meant participants often had little or no savings. While some could put aside small amounts (typically £10-50) every so often, others, who were finding it particularly difficult to cope, found it impossible to save money.

"It's just not viable [for us]... It's like when are you supposed to save? What are we supposed to save?"

(Female, working part-time, Mainland)

Consequently, most participants would struggle to cope with large and/or unexpected expenses of around £1,000 (and in some cases even smaller expenses, of around £100). If faced with such an outgoing, it was common for participants to say they would have to rely on credit cards or a loan, or borrowing from friends or family. It was noted, however, they would find it very difficult to pay off any debts for larger expenses.

"I would say that would be virtually impossible [on my own]. That would have to be me begging from family, maxing out the credit card, and not paying the rent."

(Male, working part-time, Islands)

In general, except for in the case of emergencies, participants were averse to using any form of credit to help with financial difficulties due to previous bad experiences with debt or concerns about being able to make repayments. Where credit was used, participants most commonly used credit cards, though most tended to use these only as a last resort.

"We never wanted to get a credit card, we just never wanted to be in debt to anyone, but because it is so difficult saving money, we needed to get it."

(Male, self-employed, Mainland)

"I haven't used [my credit card] since the Christmas last year and [since] then I haven't touched it. I've basically been paying it back all this year."

(Female, working part-time, Mainland)

The impact of in-work poverty

The financial difficulties caused by living on a low income were found to have a number of negative impacts on participants' lives – mainly to their mental health and family relationships.

Mental health problems

Apart from the physical health risks posed by going without heating or food, some participants also suffered from mental health problems caused by financial pressures. For these participants, household finances were "a perpetual worry", that caused anxiety, stress or depression.

"I had never suffered from stress, I'd never had to worry about anything, I've been quite lucky in that respect. But the last couple of months it's now hitting home how much things are actually affecting me"

(Male, working part-time, Islands)

While no participants had had a formal diagnosis of a mental health problem, the strains they were under were often visible to see. Several appeared very weary and downtrodden and became upset when describing the difficulties living on a low income were causing them and the associated sense of helplessness they felt.

A participant who was experiencing a long term, physical health condition, mentioned that her worries could be exacerbated due to concerns about taking excessive sick leave from her work. She felt her employer's sickness absence policy was inflexible and did not take into account those with chronic conditions.

"They don't have any allowance for people that have [these] kind of conditions. You're made to feel like you're skiving."

(Female, working part-time, Mainland)

Family relationships

Participants' financial situations had caused tension and relationship difficulties within their households; between themselves and their partner or children. For some, worries about household budgeting caused tension between participants and their partners, causing them to be short tempered with each other or argue over spending decisions.

"It can get quite stressful, especially with [my partner, a fisherman,] not being here half the time, he looks at the account and says, "Why did you spend that, we did a big shop, why are you needing that?" ... So, with him not here, he's not seeing what needs to be bought, and I'm buying things, and he is like, "Well why are you buying that... there's no money left". I'm like, "I know there's no money left. I'm trying to tell you this."

(Female, working part-time, Mainland)

Meanwhile, parents described how their relationships with their children could be strained due to the fact that they could not buy them the things they wanted.

"The kids need stuff for school trips and this and that and sometimes just have to say "no" to them because you just can't afford it.... It can cause a bit of stress but you just have to get on with it. "

(Male, working full-time, Mainland)

Perceived benefits of living and working in Shetland

Despite the difficulties outlined above, most participants tended to realise and accept the financial challenges associated with living in a remote, rural location like Shetland. They felt these negative aspects were offset by the many positives island life had to offer, including the quiet, peaceful lifestyle, the clean, rural environment and fresh air, and the lack of social or commercial pressures. Among parents, the quality of local schools and the safe environment Shetland provided were also valued highly.

"You've got no one breathing down your neck, there's no peer pressure. You're sort of a free spirit. It's clean air, it's fresh, and my daughter is in a safe environment, and the education system is good."

(Male, working part-time, Islands)

"This is a perfect place to have family. I think it is very safe, especially for kids and its pace of life is much slower here than the city, which I love.... There is that kind of community feel, it's a small community, people know each other. I would never move anywhere else, this is a really nice place to be."

(Female, working part-time, Mainland)

Seeking advice and support

It was common for participants to have sought financial advice and support. Consistent with findings from similar research¹⁸, participants had mostly approached the Citizen's Advice Bureau (CAB) for help in solving their financial problems, including advice on issues relating to redundancies, benefit entitlement and for general financial support.

Banks were another common source of advice. Participants had approached their bank for advice on better managing their finances, extending their overdrafts and seeking assistance with their debts, including consolidation loans. Less commonly used sources included their local Housing Association, the Job Centre, the Money Advice Service, Women's Aid and family or friends.

In cases where participants approached organisations for support and advice, the outcomes were mostly positive and participants praised the support they received.

"They were really good. They accompanied us to the tribunal and we won the case."

(Female, self-employed, Islands)

When participants experienced negative outcomes, mostly they were still satisfied with the service they received overall. For example, one participant approached CAB over a benefits dispute, and although the case did not have the desired outcome, they were still satisfied and appreciated the support they received.

"It was good when it was sorted. Even though it's not the outcome I wanted, at least it's been sorted and it's being dealt with."

(Female, working part-time, Islands)

For those who had *not* sought advice about their financial difficulties, the main reason for this was they felt they had not needed it. For some, although they were struggling on their low household income, they felt they managed their finances efficiently.

"I'm actually really quite good with money. I have a book - I keep a check of every single incoming and outgoing."

(Female, part-time, Mainland)

Other participants said they would rather seek support or advice from family or friends before using external sources. A concern expressed by some such participants was that "word travels" in a small community and "everybody knows your business", so seeking support from external agencies would be tantamount to 'publicising' their financial difficulties. This perception was not common though and did not deter all participants from seeking help, as one participant had used a foodbank.

"Don't get me wrong, we all help each other out in a manner of speaking, but there is no way on this earth I would go round with a begging bowl. If certain folk here were to know I contacted the food bank for a food parcel it would be an interesting conversation."

(Male, working part-time, Islands)

¹⁸ Ipsos MORI, 2014. 'Hard Work, Hard Times: in-work poverty in Glasgow'. <http://www.glasgowcpp.org.uk/CHttpHandler.ashx?id=22488&p=0>;

4. Employers' perspectives

The employer interviews for the study covered a broad range of sectors and employers of different sizes. Fifteen employers were interviewed from sectors such as Business Services, Civil Engineering/Construction, Energy, Oil and Gas, Public and third sector/charity, Retail, the Arts, Tourism and Food & Drink and the fishing industry. A range of different sized businesses were included, although most had fewer than 50 employees.

Supporting the community and employees

Across the board, employers expressed a duty to support their local community and their employees. For some, this appeared to reflect a moral commitment to supporting the community – putting something back into the community and helping to sustain what was seen as a fragile area.

"We do have a moral duty, I think, in terms of ensuring that we are doing everything we can to help our fragile community be sustainable."

There were also more pragmatic reasons. First, that the economy in Shetland is more 'closed' making the relationship between businesses, their customers and their staff more direct:

"We are here to improve the life of those people resident in Shetland. I think in general employers have a corporate social responsibility, if in somewhere like Shetland invariably your employees are your customers or are related to your customers, so anything you can do that puts back into the community is positive."

And reflecting this, employers felt island life made everyone more inter-dependent and to a lesser extent, visible – businesses needed to be seen to be supporting the community, which in turn, engendered community support for businesses.

The employers generally provided a range of support to their community in the form of charity donations, sponsorships of local clubs/teams/events and volunteering, although this sort of support was necessarily limited.

"I think it's important that you participate in the community that you're in, but I think for companies like our self you can't respond to every request that you get and so I think we've probably been kind of selective in the ones that we have assisted."

Employers outlined various types of support, in addition to basic pay and conditions, that they made available to employees including benefits and incentive schemes as well as one-off support for employees with incidents of financial distress.

In their conditions of employment, and more broadly through systems of staff benefits, some employers offered flexible working hours and home working as both general entitlements for all staff and additional flexibility for staff with caring responsibilities. Financial support offered included paying the voluntary accredited UK Living Wage, profit-related bonuses and Christmas bonuses. Benefit schemes included childcare vouchers, cycle-to-work, staff discounts, subsidised

accommodation, and subsidised travel (including help with the cost of getting to mainland UK) which helped with some of the major costs identified by the participants experiencing in-work poverty.

These types of benefits depended on the employer so not all of Shetlanders experiencing in-work poverty would have access to these.

In addition to organised employee benefit schemes, some of the employers had made, or would consider making, additional payments or loans to employees experiencing hardship, either by offering advances on their wages – in preference to employees using pay-day loans – and in one case, an employer gave an example of making an ex-gratia payment to an employee to help with exceptional costs. Of the non-contractual forms of support offered, this was the one most commonly mentioned.

Recruitment

The employers said that they generally tried to recruit from among the local community wherever possible but commonly experienced significant challenges in doing this. Three issues were highlighted:

- the high level of employment, making it difficult for all employers to find staff with suitable skills or qualifications
- difficulty attracting people to move to Shetland
- competition from higher-paying employers, especially the oil industry, forcing up wages even in relatively low-wage occupations.

The last issue – competitive pressures – might be seen as a problem by employers but as our analysis in Section 2 shows, it benefits the working population with higher earnings in Shetland, ensuring that a lower percentage of people in working households are in poverty, although the higher earnings do not adequately compensate for higher costs.

The issues employers faced were reflected in their approach to recruitment, which involved a mix of local recruitment, particularly targeting young people for apprenticeships, and attracting skilled and professional staff that were in short supply locally. Employers saw their recruitment strategies as supporting the local economy and the sustainability of Shetland by both ensuring that local employment was maximised and that there was some measure of repopulation.

"What you don't want is transient staff. You want people to come and live [here.]"

Recruitment methods focused on the standard routes of local newspapers, company websites and social media, with less emphasis on word-of-mouth than was suggested by the employee interviews.

On the whole, employers were recruiting to permanent positions, with only a few recruiting for temporary jobs and only one of the employers using zero-hours contracts.

Wages

Almost all of the employers had heard of the voluntary accredited UK Living Wage¹⁹, with most paying their employees at this level or higher. That said, relatively few were Living Wage accredited, mainly because they did not feel accreditation would necessarily deliver any added benefits.

Although our analysis in Section 2 highlighted the higher earnings in Shetland compared with Scotland, employers in the retail, food and drink or business services sectors, who employed lower skilled, manual workers, did not pay the voluntary accredited UK Living Wage to all or most of their employees. All were aware of the Living Wage but smaller employers in these sectors said that they were unable to pay all their staff the Living Wage, while those in larger, national employers said they already offered generous wages in comparison to their competitors. Indeed, some employers in UK-wide businesses noted that their employees in Shetland were paid up to 10% more than their peers on the mainland.

Given the range of employers, views on the suitability and practicality of paying the Living Wage were mixed: most were in favour in principle, with some already paying at or above the Living Wage, but others expressed concern at the impact on competitiveness or, in the Third Sector, the effect of increased wage costs in a context of budget pressures and cuts.

"I think it's to be encouraged although I think certain businesses will find it difficult."

"In order for me to cover our living wage [the Council] would have to ensure that I was being paid enough in my core grant to able to pay that, instead of continually cutting it."

Scottish Business Pledge and the Fair Work Convention

Awareness of the Scottish Business Pledge and the Fair Work Convention was very low with only one of the employers having signed up to the Business Pledge and none signed up to the Convention. In discussion, employers' views tended to be lukewarm, with some cynicism that initiatives of this type were, in effect, more for the potential political benefit for the government rather than of any real benefit to businesses, and potentially at some cost in obtaining accreditation.

"We know we pay well, because people are knocking on our door looking for jobs, etcetera, [so] from a government level it gets you some Brownie points, I suppose, but that's all it is."

"I think it's one of these things it could be a change of government [and] it suddenly disappears. You've put that time and effort into achieving it, and then a couple of years down the line government ministers, governments move on and they have lost interest."

Support services

All of the employers said they were aware of support services to which they could direct employees experiencing financial difficulties although the Citizens Advice Bureau was the only service mentioned by more than a couple of participants.

Generally, the employers appeared content with the level of support they received from third party agencies to help promote positive outcomes for their staff and there were very few suggestions for additional support in this regard.

¹⁹ As calculated by Living Wage Foundation: <http://www.livingwage.org.uk/>

5. Conclusions and recommendations

Using standard measures of poverty, levels of both relative poverty and in-work poverty in Shetland are lower than those found across Scotland as a whole. When consideration is given to the higher cost of living in Shetland, however, almost half (49%) of people in the Isles do not earn enough to meet the Minimum Income Standard (MIS) compared with 36% nationally. Among working households, the figure is not dissimilar, at 42%, compared with the national benchmark of 29%.

In terms of the profile of households experiencing in-work poverty in Shetland, this is broadly in line with that for Scotland as a whole²⁰. Those affected are typically families relying on one earner; households with single- and dual-earners not working enough hours; women; those in part-time employment; and those working in the retail, hospitality, service, and social care sectors.

While the research participants tended to say they were satisfied with their lives and adopted a stoical outlook; for example, defining their needs in terms of what was available to them, it was clear nonetheless that many of them were experiencing levels of financial hardship more commonly associated with worklessness. They were generally in very low paid jobs and many felt stuck there due to what they perceived as limited opportunities to progress within their place of work or to find new work elsewhere in the Isles. They commonly found their jobs mundane as a result of being in the same role for a number of years.

Living on a low income meant many found it difficult to achieve an acceptable standard of living²¹ and relied on benefits to cope. Difficulties affording heating, and transport to, from and around Shetland, were common, as were problems affording adequate food and running a car – viewed by many as a necessity in Shetland. The cumulative impact of these challenges often led to a diminished quality of life characterised by stress, depression, isolation and/or relationship strains.

While it was common for participants to have sought financial advice and support in the past, mostly from the Citizens Advice Bureau, a small number were hesitant about doing so, owing to a perception that “word travels” in a small community and seeking support would be tantamount to ‘publicising’ your financial difficulties.

The interviews with employers provided further evidence of the issues and challenges facing those in in-work poverty. While most of the employers offered different types of support that might benefit those on a low-income – such as paying a Living Wage, flexible working, childcare vouchers, subsidised travel and staff discounts – those employing predominantly lower skilled, manual workers; for example, in the retail, food and drink or business services sectors, were less likely to do so.

Several of the employers also offered informal support to employees who were experiencing financial difficulties, including advances and loans. While this support was likely of great benefit to the employees concerned – and perhaps prevented

²⁰ Ipsos MORI, 2014. ‘Hard Work, Hard Times: in-work poverty in Glasgow’. <http://www.glasgowcpp.org.uk/CHttpHandler.ashx?id=22488&p=0>; Citizens Advice Scotland, 2015; Living Wage Commission, 2014, ‘Working for poverty: The scale of the problem of low pay and working in the UK’ Low Wage Commission: London; Hudson, M., Netto, G., Sosenko, F., Noon, M., de Lima, P., Gilchrist, A. and Kamenou-Aigbekaen, N., 2013, ‘In-work poverty, ethnicity and workplace cultures’ Joseph Rowntree Foundation: York.

²¹ Highlands and Islands Enterprise, 2013, ‘A minimum income standard for Remote Rural Scotland.’ <http://www.hie.co.uk/common/handlers/download-document.ashx?id=1bdb4dc2-9521-4998-853b-e2cbdf9258d2>

them from having to rely on high interest credit or loans – it could have served to conceal the problem of in-work poverty to an extent, since those affected may not always be coming to the attention of external agencies.

Employer knowledge of third party, support services to which they could refer staff was low, with most aware only of the Citizens Advice Bureau.

Recommendations

The research and subsequent workshop among key stakeholders identified a number of priorities that the Shetland Community Planning Partnership might take to tackle the problem of in-work poverty in the Isles. These priorities fell into two main themes. For each, work already happening or planned is highlighted, alongside recommendations for what more needs to be done.

Awareness Raising

- **Sharing the findings widely throughout Shetland** to increase understanding of the challenges faced by low income working households. This will assist in ensuring households get the formal and informal support required to improve their quality of life, and to normalise support seeking.
 - Make a Difference sessions, designed to tackle loneliness, isolation and stigma in Shetland, are being led by the Shetland Partnership. Part of the aim of these sessions is to encourage communities to support vulnerable people to access support.
 - *This work is supported by the Community Learning and Development Partnership.*
- **Promoting the research among the Scottish Government** to highlight the challenges of life in Shetland and show that a 'one size fits all' approach is not suited to remote rural areas in Scotland.
 - The research has been presented at a Shetland Partnership Seminar, attended by the Scottish Minister for Social Security. There is a need to ensure the research is used to inform relevant areas of discussion between Shetland services and Government.
 - *This work is supported by the Shetland Partnership, and partner organisations*
- **Use the Minimum Income Standard thresholds** as a means of reviewing and challenging existing policy, and guiding future decision making across organisations in Shetland.
 - *This work is supported by the Development Partnership.*

Maximise Household Incomes

- **Reduce Household Costs**, including:
 - **Food costs:**
 - **Fair Food was awarded funding through Community Choices** and will work with people struggling to afford to eat, to find sustainable long-term solutions to hunger in Shetland. The pilot will conclude in March 2018, and should be rolled out.

- *This work is supported by the Welfare Reform and Financial Resilience Group.*
 - **Travel Costs:**
 - **The provision of 'fair fares' in Shetland** – use the research as an evidence base to work with internal (e.g. SIC and ZetTrans) and external transport providers (e.g. Lifeline Transport), to explore the potential for providing travel concessions (from 50% to 100%) for local people across the Isles.
 - **Additional joint working between SIC and ZetTrans** to encourage travel behavioural change in the Isles, for example through:
 - drive to work car sharing schemes
 - community-based car clubs (for example, electric car, moped and bike sharing)
 - 'active travel' and the construction of more footpaths (for example, working with developers to build footpaths in new housing schemes)
 - Employer Travel plans to encourage large, and smaller, employers to support measures which increase the take-up of active and sustainable travel options.
 - *This work is supported by ZetTrans.*
 - **Home Fuel Costs:**
 - A one stop shop for Energy Advice is delivered by Shetland Islands Citizens Advice Bureau. This service is targeted at people in Fuel Poverty who are living on low incomes through outreach provision and work to raise awareness among professionals working with vulnerable people.
 - *This work is supported by the Fuel Poverty Action Group.*
- **Maximise Benefits to Households:**
 - A Financial Health Service is delivered by Shetland Islands Citizens Advice Bureau. This service is targeted at those on low incomes but additional promotion is needed to ensure those in work are aware of the support available, for example, to claim in-work benefits and to manage financial problems including debt.
 - *This work is supported by the Welfare Reform and Financial Resilience Group.*
- **Financial Education:**
 - A Financial Education Pilot Project is being carried out by Shetland Islands Citizens Advice Bureau. This project targets young people in Primary 6, Secondary 2 and Secondary 5, and work is also being carried out with Looked After Young People. The review of this pilot will consider how Financial Education might be extended to other target groups.

- *This work is supported by the Welfare Reform and Financial Resilience Group.*

- **Maximise income from employment:**

- **Promote the business and economic benefits of a more diverse workforce** – in particular, encourage employers to adopt policies such as flexible working to help target gender-based occupational segregation.
- **Continue to prioritise succession planning within existing businesses**, including targetting businesses with an ageing ownership to create more opportunities for career advancement and ensure jobs are made available to local people and remain in Shetland. HIE already offers all account managed businesses specialist succession planning support and Business Gateway has been key to highlighting the benefits of a diverse workforce.
- **Promote business start-up support to those in part-time work, particularly women, in order to highlight the potential of self-employment for maximising income.** For example, through creative/ideas generation support and intensive business start-up support.
- **Look at opportunities to use digital technology to support and promote flexible working and service delivery.** For example, ensuring reliable broadband provision in remote, rural locations to allow home working, business start up and growth.
- *This work is supported by the Development Partnership.*
- **Continue to implement the Scottish Government’s Blueprint for 2020: the Expansion of Early Learning and Childcare in Scotland**, to meet the needs of working parents. Three pilots are currently underway, with rollout to remaining settings from autumn 2017. A Scottish Government trial is running in Urafirth, delivering up to 1,140 hours of free early learning and childcare for three and four year olds and some two year olds. Two additional settings will be coming on board in August 2017. A service delivery plan is being prepared to identify how the extended hours will be phased in across all settings by 2020.
- *This work is supported by Expansion of Early Learning and Childcare Project Board.*

The Development Partnership within Shetland’s Community Planning Partnership, will take responsibility for ensuring the changes required are implemented and monitored. Delivery strategies include Shetland’s 10 Year Plan, Local Housing Strategy, Fuel Poverty Action Plan, Local Transport Strategy, Expansion of Early Learning and Childcare Plan, and Welfare Reform & Financial Resilience Action Plan.

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