



# THE REAL LIVING WAGE IN PENZANCE

THE CHALLENGES AND OPPORTUNITIES IN PENZANCE BECOMING A REAL LIVING WAGE TOWN



### **Acknowledgements**

This project was funded by Cornwall Council and was commissioned by the Penzance Business Improvement District (BID) team. We acknowledge the support from Jessica Morris (BID) who commissioned the project and Todd Barden (BID) for taking on this role. Emma Tegg also contributed to survey deployment and distribution. We are grateful to everyone who agreed to be interviewed or completed the survey.

### **Citation**

Collins, C., Cole, H., and Wills, J. (2022). The real Living Wage in Penzance: the challenges and opportunities in Penzance becoming a Real Living Wage town. Environment and Sustainability Institute, University of Exeter, UK.

ISBN number: 978-0-902746-68-8

### **Contact**

Claire Collins: [Claire.Collins@ioz.ac.uk](mailto:Claire.Collins@ioz.ac.uk)

Professor Jane Wills: [j.wills2@exeter.ac.uk](mailto:j.wills2@exeter.ac.uk)

### **Photo credits**

Thanks to Jim and Gail Collins for the use of their images throughout the report.



# CONTENTS

---

<b>INTRODUCTION</b>	<b>4</b>
<b>Executive Summary</b>	<b>6</b>
Aims	9
<b>Background</b>	<b>x</b>
History of the Living Wage	10
The Living Wage Towns initiative	12
Study context	13

---

<b>RESEARCH METHODS</b>	<b>14</b>
<b>Primary data collection</b>	<b>16</b>
Survey of Penzance residents	16
Survey of employers	16
Data analysis	17

---

<b>RESULTS</b>	<b>18</b>
<b>Secondary data</b>	<b>20</b>
Understanding income and employment within Penzance	20
Living costs	24
<b>Survey results</b>	<b>28</b>
Employment and income in Penzance	28
The potential impact of the Real Living Wage	32
Perceptions of Penzance becoming a Living Wage Town	38
<b>Interview results</b>	<b>42</b>
Awareness and perceptions of the RLW	42
Motivations for employers to pay the RLW	45
Barriers and challenges for employers	46
Attitudes towards Penzance becoming a 'Living Wage Town'	46

---

<b>DISCUSSION</b>	<b>48</b>
-------------------	-----------

---

<b>REFERENCES</b>	<b>54</b>
-------------------	-----------

---

<b>APPENDICES</b>	<b>56</b>
Appendix 1. Research engagement profile	56

# INTRODUCTION

THE REAL  
LIVING WAGE  
IN PENZANCE



# THE CHALLENGES AND OPPORTUNITIES IN PENZANCE BECOMING A REAL LIVING WAGE TOWN

## EXECUTIVE SUMMARY

This report explores the challenges and opportunities involved in Penzance becoming a 'Living Wage Town'. It has been prepared by researchers from the University of Exeter's Environment and Sustainability Institute (ESI) on the Penryn campus in Cornwall and was commissioned by the Penzance Business Improvement District (BID) team.

The concept of living wage places, including 'Living Wage Towns', is currently being promoted by the Living Wage Foundation in order to recognise communities where local employers and civil society organisations are committed to the adoption of the real living wage.

The real living wage is designed to better reflect the real cost of living and is higher than the government set national living wage, which provides a statutory minimum level of pay. New rates for the real living wage are published every November by the Living Wage Foundation and employers can request official accreditation for meeting this higher level of pay. The idea of a real living wage place capitalises on the potential for community-led action to make social change in a geographical area. Successful adoption of the scheme and a broad uplift in wages to the real living wage has the potential to redistribute wealth and may help address perceived social injustices.

Currently, Glenrothes in Scotland, accredited in 2019, is the only example of a 'Living Wage Town' and there is a lack of research on the potential impact and viability of living wage place schemes in rural areas which may be primarily dependent on one or two industries, such as tourism. This report combines insight from a survey of residents, and interviews with employers to help understand the suitability of the scheme for Penzance. Both methods were used to identify existing priorities and needs regarding employment and income and to identify the potential impacts of an uplift in wages to the real living wage. Employers' perceptions of the suitability of the scheme for their business were also collected during interviews. Findings from both have been contextualised using secondary data collated for Penzance to further assess the potential impact of becoming a real 'Living Wage Town'.

Overall, the study identifies that the issue of low pay in Penzance is a major concern and that the prevalence of low pay may be increasing. Residents are concerned about how to meet living costs that have risen much faster than wages. Those paid below the RLW do not appear to be characterised by certain sociodemographic characteristics or sector of employment, and the research has identified examples spread broadly across age, circumstances and employment type. Results show that there is broad interest and an appetite for adopting the real living wage, with potential gains including reputational benefits for the town, improvements in the economic status of residents and better reflecting the ambitions of local leaders to improve social conditions. Despite broad support and interest around an uplift in wages, however, it is noted that addressing other factors such as seasonality and lack of guaranteed hours is also a key priority for residents.

This study finds broad interest and support amongst employers for the real living wage, primarily related to feelings of social and moral obligation towards employees. However, for some sectors, a broad uplift in wages was perceived to be unaffordable, particularly for those with a large proportion of younger employees. In addition, some felt that providing guaranteed employment and other work-related benefits should be a priority. For those employers who already paid the real living wage, many weren't aware of how to become officially accredited and the benefits of doing so.

Overall, there is a clear interest amongst both employers and employees in Penzance in becoming a 'Living Wage Town'. Doing so, has the potential to make a significant impact due to the prevalence of low pay across society. In order to maximise the chances of success, the Living Wage Foundation advocates the formation of a living wage action group to implement the scheme. Becoming the first officially accredited living wage town in England would help to put Penzance on the map and reflect the strong civil society and community spirit that already exists.

# INTRODUCTION

The 'living wage' has been defined as the minimum wage rate required for someone to meet their basic needs, such as housing, clothing and food, and to be able to enjoy a socially acceptable and dignified lifestyle for themselves and their dependents (Bennett, 2014; Hirsch and Valadez-Martinez, 2017). Further, having sufficient income to take part in civil society, community activity, social interaction and engagement, is also integral to the concept of a real living wage. Whilst the idea has a very long history, rising levels of in-work poverty in the UK and the USA since the late twentieth century have increased support for the idea of a living wage (Wills and Linneker, 2012, 2014). Accordingly, a living wage campaign launched by Citizens UK in London in 2001 has since become a national movement aimed at reducing the growing social and spatial inequalities that have been further exposed by the impact of COVID-19 (Sensier and Devine, 2020).

In its early stages, the living wage campaign focused on targeting large and strategic employers, calling on them to pay the living wage to their contracted on-site staff as well as those directly employed. Reflecting its origins in East London, early success came in businesses in Canary Wharf, East London's hospitals, councils and universities (Wills, 2008). As the campaign spread, however, it became a national movement and activists started to take a more spatially focused approach, targeting particular cities, towns or zones. In 2019, the Living Wage Foundation accredited the first 'Living

Wage Town' in Glenrothes in Scotland ([www.livingwage.org.uk/living-wage-places](http://www.livingwage.org.uk/living-wage-places)). This accreditation depends upon demonstrating an ambition and plans to sign up a significant number of local employers to paying the Real Living Wage (hereafter referred to as the 'RLW'), promote the idea across the local community and form a local action group including local employers paying the RLW. The rate of the RLW is calculated annually by the Living Wage Foundation depending on current living costs for individuals and their families and it is higher than the government set rates for the National Minimum Wage (hereafter referred to as the 'NMW'), which was renamed the National Living Wage (NLW) in 2016.

Currently, there are 16 'Living Wage Action Groups' encompassing city regions (e.g. Greater Manchester and London), cities (e.g. Cardiff) and just one town (Glenrothes in Fife). The only example of a 'Living Wage Town', Glenrothes, has a population of more than 50,000 which is larger than many small towns in more rural parts of the country where the challenge of low pay is acute. As such, there is no evidence about how to apply the idea of the 'Living Wage Places' scheme in rural areas with dispersed populations living in relatively small towns and villages. Our research was designed to explore the potential suitability and impact of the scheme for small towns in coastal and/or rural areas that may be disproportionately reliant on one or two industries, such as tourism, and have high numbers of small businesses. We worked with the Penzance BID team, whose leaders



were keen to explore the idea as a way to raise living standards in the community, to explore the challenges and opportunities of adopting the living wage in small towns in rural locations, using Penzance as a case study to influence wider debate.

## AIMS

This report documents research that was designed to assess the potential for Penzance to become a 'Living Wage Town', through adoption of the 'Living Wage Places' scheme overseen by the Living Wage Foundation. To this end the following research objectives were adopted to:

- Identify the employment and income needs and priorities of Penzance residents;
- Explore the potential impact of the RLW for those in low-paid jobs;
- Assess the motivations and barriers for employers in adopting the RLW;
- Contextualise these findings within the wider socio-economic context of the town, its hinterland and the county.

Ethical approval for all components of this study was obtained from the University of Exeter's College of Life and Environmental Science Ethics Committee.

# BACKGROUND

## HISTORY OF THE LIVING WAGE

The concept of a living wage has been circulating in the UK since the 1870s, when workers in industries such as coal mining and textiles organised to improve their compensation and terms for their work (Wills and Linneker, 2012). Over time, as the labour movement achieved improvements in pay and conditions, and the state legislated to better control the conditions of work, the interest in the idea of a living wage naturally declined. However, the concept resurfaced, first in the United States and then more widely globally, over the past thirty years (Walsh, 2000; Horton and Wills, 2018). Within the UK, the living wage movement has its modern roots in East London, where it grew from a coalition of community and church groups whose members were concerned about low pay and the effect it was having on poverty levels and the family life of residents (Wills, 2009; Wills et al., 2009). A campaign was launched in 2001 and has since spread from London to the national scale, raising awareness about the social and moral importance of fair rates of pay (Johnson et al., 2019).

As an entirely voluntary movement, the living wage movement is an example of 'civil' regulation comprising good practice and social norms determined amongst citizens external to state-based intervention and law. In this regard, the success of the living wage movement is reliant on appetite and support from both employers and employees for increasing rates of pay on a voluntary basis. In recent times, the obvious, and growing, impact of in-work poverty, fuelled by low wages and rising costs, particularly housing, has meant arguments for decent pay have successfully resonated with the wider public, fuelling support for the national living wage campaign (Johnson et al., 2019).

However, it is important to note that the United Kingdom's first national minimum wage was only introduced in 1999. This was established via legislation which provided for the establishment of a Low Pay Commission (LPC) responsible for setting Britain's first ever national minimum wage (NMW). In the early days, millions of workers secured wage increases as a result of the law, and it was expected that this would be sufficient to tackle the challenges associated with very low pay (Dickens and Manning, 2004). However, despite the NMW being successful in reducing the incidence of extremely low pay (Wills and Linneker, 2012), it was set in relation to what the market would bear rather than what it actually cost to live, particularly for those with dependents living in areas with high costs of living (Low Pay Commission, 2014; D'Arcy, 2018). In London, it was well-understood that the 'moral gap' between the NMW and the real cost of living was especially wide and people were left in working poverty despite being paid more (Wills and Linneker, 2012). As a result, campaigners sought to determine a real Living Wage (RLW) which was independently calculated and set according to the costs of household goods and services ([www.livingwage.org.uk](http://www.livingwage.org.uk); Hirsch and Valadez-Martinez, 2017).

Reflecting the origins of the campaign and the higher costs of living in London, there have always been separate 'London' and 'out-of-London' rates calculated for the RLW. In both geographical contexts, the rate is directly related to current living costs for individuals and their families and is higher than the legal minimum rate. However, over time, there has been a significant reduction in the gap between the two rates (Figure 1). As the NMW/NLW has risen, it has met more of the real costs of living and accordingly, the gap between the two rates, outside London, will be only £0.40 an hour from April 2022.



Figure 1. Wage rates for the adult National Minimum Wage (NMW)/National Living Wage (NLW)/ and Real Living Wage (RLW) (outside London), over time. Data taken from Low Pay Commission, 2021; RLW Foundation, 2021.

From April 2022, the RLW will be £9.90 per hour, and £11.05 in London (Table 1). In April 2022, the NMW, which was confusingly renamed the National Living Wage (NLW) in 2016, will increase to £9.50 for over 23s and less for younger age groups. Therefore, from April 2022, the gap between the NLW and the RLW is only £0.40 per hour outside London, for workers over 23, which equates

to an additional £753 annually, if the recipient works 7.5 hours every working day of 2022 (n=251). Note that the difference in rates, and resulting annual uplift, varies according to age group as the RLW isn't stratified by age groups in the same way as the NLW and is applicable to all employees aged 18 or over.

	23+	21+	18+	Under 18	Apprentice	London rate
<b>National Living Wage (set by the government/LPC)</b>						
April 2021	£8.91	£8.36	£6.56	£4.62	£4.30	n/a
April 2022	£9.50	£9.18	£6.83	£4.81	£4.81	n/a
<b>Real Living Wage (set by the Living Wage Foundation)</b>						
April 2021	£9.50 (+£0.59)			n/a	n/a	£10.50 (+£1.59)
April 2022	£9.90 (+0.40)			n/a	n/a	£11.05 (+£1.55)

Table 1. Rates for the National Minimum Wage, National Living Wage and the Real Living Wage (for 2021 and 2022), according to age group (years). Data taken from Low Pay Commission, 2021; RLW Foundation, 2021.

## THE LIVING WAGE FOUNDATION

Official accreditation for paying the RLW comes via the Living Wage Foundation, which is an organisation established by Citizens UK in 2011 to provide independent ownership of the idea, the rate and associated campaigns. Becoming an officially accredited Living Wage Employer requires a voluntary commitment to pay all direct employees, and all third-party on-site contract employees, the RLW. Currently, the Living Wage Foundation estimates almost 9,000 UK businesses are now accredited, leading to 300,000 employees receiving wage uplifts ([www.livingwage.org.uk](http://www.livingwage.org.uk)). However, it is anticipated that many more employers pay above the RLW without going through the accreditation process, and there is evidence that the campaign has had wider labour market effects (Smith Institute, 2021).

Once accredited, employers can use the official Living Wage Foundation logo to publicise their support with the ultimate goal to provide brand advantage and shift market preferences, as done successfully by other ethical trading campaigns. Although successful, the official campaign has not yet touched most low paying employers and their workers (Heery et al., 2017a). This may be due to lack of knowledge about the campaign and the ethical wage rate, as well as reluctance to determine wage setting decisions via a third-party organisation, as it limits employers' room for manoeuvre. In addition, some employers may consider the financial implications to be unsuitable for their business. Another issue may be the lack of political pressure to adopt the higher rate, as this was very significant in the early success of the campaign in East London (Wills, 2008).

## THE LIVING WAGE TOWNS INITIATIVE

In recognition of growing concern about spatial inequalities across the UK, and the need to 'level up' societal conditions and opportunities, there has been a growth in interest and support for place-based approaches to public policy and practice (Beer et al., 2020). Interest in such approaches has further grown due to the effects of the COVID-19 pandemic, which has exposed sharp differences in the wellbeing and living standards of the population in different parts of the country (Martin et al., 2020). There is also a growing appreciation of how the composition of local job markets can greatly influence opportunities for residents and their ability to continue living close to their home (Living Wage Foundation and Living Wage Scotland, 2019). Accordingly, there is now growing interest in how the living wage movement can be applied as a place-based intervention to raise living and working conditions across geographical areas (Living Wage Foundation, 2021).

In the UK, there are now 16 Living Wage action groups encompassing city regions (e.g. Greater Manchester and London), cities (e.g. Cardiff) and one town (Glenrothes in Fife). These groups are comprised of accredited organisations, including small and large employers, who commit to working collaboratively with others to create a three-year Living Wage Action Plan for their location. As the RLW is an entirely voluntary scheme, the process of becoming a Living Wage place is a highly flexible process, and the ultimate aim is to encourage employers within the area to become accredited through increased awareness and encouraging the community to see the RLW as an accepted social norm.

## STUDY CONTEXT

This research was designed to explore the potential for Penzance to become a 'Living Wage Town'. A coastal town, located in south west Cornwall, Penzance's employment is dominated by sectors such as retail, accommodation and food services, and health and social work, and is reliant on seasonal tourism, mostly from UK residents (Cornwall Council, 2021b). Concerns about low wage rates and high relative living costs (especially for housing) are critical for Penzance. In 2019, a citizen's panel, comprised of 17 Penzance residents, noted that wages were disproportionately low compared with private rents, which are amongst the highest in the country (Barker, 2019). Amongst other recommendations, the panel recommended the introduction of a minimum 16-hour per week contract option for employees, as well as a phased introduction to a £10 minimum hourly wage (Barker, 2019). The challenges they addressed have most likely been exacerbated by the COVID-19 pandemic (Houston, 2020).

It is anticipated that several factors may contribute to the potential for the scheme to have a positive effect for Penzance. Penzance can be considered rural in terms of its distance from large populations and/or cities and research suggests that low wages may be more common in rural vs urban areas. This trend tends to worsen when areas are dominated by the employment sectors common in Penzance, e.g. accommodation, hospitality and retail (Low Pay Commission, 2014; Smith Institute, 2021). As a coastal town, Penzance is a popular tourist destination and it is anticipated that the prevalence of low wages is much higher than the national average due to reliance on seasonal labour. Further, initial research suggests that rural areas that are heavily reliant on tourism have been the hardest hit by the recent COVID-19 pandemic (Houston, 2020; Sensier and Devine, 2020). It is thought that these effects may last for some years to come and prioritising these areas for intervention should be a priority, particularly within state-based plans for 'levelling-up'.

In considering the potential impacts that a wage uplift to the RLW could have across Penzance, there is a need to consider other salient issues that may be exacerbating in-work poverty, such as the affordability of housing (Innes, 2018). This is because despite low wages and in-work poverty being inherently linked, their relationship is complex and often dependent upon household size and dynamics (Bennett, 2014; Horton and Wills, 2018). There is a paradox whereby most low-paid workers are not in poverty albeit that the majority of workers in poverty are low-paid (Hirsch and Valadez-Martinez, 2017). This can be explained by considering the unique social context in which each worker lives and the significance of additional factors, such as location, family situation and living expenses. Whilst raising wages can contribute to reducing levels of in-work poverty, it is important to consider the demographics of a society as some groups may be more 'at-risk' than others, reflecting factors such as geography, gender, social class, ethnicity, nationality, disability and age. In this regard, our research was designed to understand the priorities and needs of residents in Penzance, as well as the broader social context of their lives, including living costs.



# RESEARCH METHODS

THE REAL  
LIVING WAGE  
IN PENZANCE



# PRIMARY DATA COLLECTION

16

## SURVEY OF PENZANCE RESIDENTS

A survey was distributed online, via newsletters and social media posts and email distribution lists, as well as face to face at a public space within Penzance. Only residents of Penzance were targeted, and participants were asked for their postcodes to verify that they lived within the target area. The survey was created and distributed using online survey software (Qualtrics) and participants used their online browsers or, in the case of face to face, iPads to complete it. Consisting of closed and open-ended questions the survey was designed to understand: (1) the employment situation and priorities of participants; (2) the likely impact of the RLW on their working and personal lives; (3) perceptions of the suitability of the RLW scheme for Penzance as a town; and (4) additional factors reflecting participant's quality of life. In order to accurately identify the likely impact of the RLW on those in lower wage rate brackets, participants were asked whether they were paid the RLW. Questions were worded differently depending on their answers to this question. No identifiable information, such as names or addresses, were collected for ethical reasons although key demographic information, including age and gender was collected to provide important context for the analysis. Individuals under the age of 18 were asked not to participate.

Overall, 114 survey responses were received from residents in Penzance. Amongst participants, 81% (n=92) were employed, 11% (n=13) were self-employed, 5% (n=6) were not in paid work (or off sick) and 3% (n=3) were in full-time study. More information on participants is provided in Appendix 1.

## SURVEY OF EMPLOYERS

A semi-structured interview was conducted with 12 employers within the Penzance area who owned small to medium-sized businesses (see Appendix 1 for anonymised details of the employers who took part). A targeted sampling approach was undertaken whereby employers were selected to proportionately fulfil the following criteria: 1) employers who did not pay the RLW; (2) employers who paid the RLW; and (3) those who paid the RLW and were accredited by the Living Wage Foundation. Participants were contacted via phone call or email following an introduction from Jessica Morris (Penzance BID manager) or Tim Dwelly (East Penzance Councillor), who both had existing relationships with the employers. Open-ended questions were designed to: (1) categorise employers into three groups as: RLW accredited, RLW non-accredited or NLW; (2) understand perceptions and awareness of the RLW; (3) identify potential barriers and motivations for paying the RLW; and (4) reflect on Penzance becoming a 'Living Wage Town'. Interviews were conducted over the phone and using video software, and were audio recorded with participant permission. Employers were asked whether they paid the RLW, and whether they were accredited. Interviews were conducted primarily by Harriet Cole, in support of a dissertation project for an MSc degree. These interviews were conducted with ethical approval from the University of Exeter and the data has been anonymised in this report.



## DATA ANALYSIS

All survey data was downloaded to excel format and cleaned, primarily to check for (in)complete responses and/or the location of participants (using provided postcodes). Data processing, analysis and presentation of survey data was then conducted in Microsoft Excel and R (R, 2021). In order to understand the likely impact of the RLW, some data analysis was conducted separately for participants who weren't paid the RLW compared to those who said they were. In order to identify additional detail and understanding from the surveys, thematic analysis was also conducted for the qualitative data generated by responses to open-ended questions.

Data from interviews was transcribed using Otter.ai software and checked for accuracy. The transcripts were then analysed using NVivo (NVivo, 2020). To identify key themes in the data, an inductive approach to thematic analysis was used; a process through which codes are generated by identifying themes based entirely on the data (Auerbach and Silverstein, 2003; Miles et al., 1994). Codes were then refined in order to capture the breadth and depth of the data in regard to each question in an iterative process until no new meaning could be interpreted from the data. Illustrative anonymised quotes from both surveys and interviews are used to contextualise findings throughout the results section.

## SECONDARY DATA

In order to contextualise findings from the primary data collection, secondary data concerning the socioeconomic context of Penzance and the surrounding area was taken from online databases. Data resolution varied according to dataset and data had to be obtained for the smallest geographical areas available in order to focus on trends for Penzance. Consequently, data was collected at the following spatial scales:

- County level (*Cornwall*)
- Constituency level (sub-county) (*St Ives E14000964*)
- Middle Layer Super Output Areas (MSOA) (*067 Penzance North; 068 Penzance Central; 069 Penzance South and Newlyn*)
- Lower Layer Super Output Areas (LSOA) resolution (*067B Heamoor Village; 067C Penzance Alverton; 067D Penzance Chyandour and Eastern Green; 067E Penzance Treneere; 068A Penzance St Clare and Town; 068B Penzance Battlefields; 068C Penzance Wharfside and Town; 068D Penzance Promenade; 070A Penzance Wherrytown; 070C Newlyn West; 070D Newlyn Harbour and Gwavas*)

Examples of data collected for this report include house prices, Index of Multiple Deprivation (IMD) scores and the proportion of the population with hourly pay below the RLW.

This data is represented as graphs, tables and descriptive statistics. However, in order to show spatial variation and trends, data was visualised using the Geographical Information System (GIS) QGIS (QGIS, 2020). To highlight spatial variation, maps have been coloured to equal interval categories.

# RESULTS

THE REAL  
LIVING WAGE  
IN PENZANCE



# SECONDARY DATA

## UNDERSTANDING INCOME AND EMPLOYMENT WITHIN PENZANCE

Data suggests that in 2021, 30% (n=32,000) of full-time positions in the St Ives constituency are not paid the RLW, which is a considerable increase against previous years (Table 2) (ONS, 2022a). This is above the national average

which is equivalent to ~20% of all employees being paid below the RLW (Smith Institute, 2021). Data suggests that wages may be slightly better amongst part-time workers, but the proportion of local part-time employees paid below the RLW is still higher (23%, n=28,000) than nationally. It is unclear why the rate of low pay has increased substantially in 2021 compared to previous years, particularly for full-time jobs.

Year	Full-time		Part-time	
	Jobs	%	Jobs	%
2021	32,000	30	28,000	23
2020	21,000	17	24,000	17
2019	22,000	20	18,000	13
2018	17,000	14	16,000	11
2017	22,000	19	16,000	11

Table 2. Estimates of the number and proportion of employee jobs with hourly pay below the RLW, as defined by the Living Wage Foundation annually, for the St Ives constituency from 2017 to 2021. Data taken from Annual Survey of Hours and Earnings (ONS, 2022a).

In order to understand levels of employment and income within Penzance, data from the Index of Multiple Deprivation (IMD) was collated at LSOA level. IMD data is the official measure of deprivation in England and is based on multiple indicators of individual and community welfare and wellbeing. It ranks the 32,844 LSOAs in England from most deprived to least deprived starting from 1 (representing the most deprived LSOA). These LSOAs are then divided into equal groups, with decile 1 representing the most deprived 10% of LSOAs nationally

and decile 10 representing the least deprived 10%. Within the IMD dataset, the most relevant proxies for income and employment are the 'Employment Deprivation domain', which measures the 'proportion of the working age population in an area who are excluded from the labour market'<sup>1</sup> and the 'Income Deprivation domain' which measures the proportion of the population in an area experiencing deprivation relating to low income<sup>2</sup> (ONS, 2021).

<sup>1</sup>Further defined as 'people who would like to work but are unable to do so due to unemployment, sickness or disability, or caring responsibilities. Note: this also includes people who are willing but unable to work due to circumstances such as sickness, disability, or caring responsibilities. Calculated by summing indicators (which can overlap) that include Jobseekers Allowance claimants, claimants of Universal Credit and Carers Allowance.

<sup>2</sup>This includes both those people that are out-of-work, and those that are in work but who have low earnings (and who satisfy the respective means tests). Calculated by summing indicators (which can overlap) that include Income Support, Universal Credit and Working Tax credit claimants.

The Employment Deprivation domain data indicates that across Penzance, 9 out of 11 LSOAs were ranked within the most deprived 20% of LSOAs nationally in 2019. Only Penzance Battlefields (ranked 11,510) and Newlyn West (ranked 19,210) were ranked higher and were not considered to be in the most deprived 20% of all LSOAs nationally (Figure 2A). Additionally, some areas could be considered amongst the most deprived areas nationally, including Penzance Treneere, which was ranked 346th most deprived out of 32,844 small areas nationally. For Income Deprivation, data suggests Penzance may be ranked more favourably than for employment, however,

of the 11 LSOAs in Penzance, 6 were amongst the 20% most deprived small areas nationally (Table 3). Again, the LSOA of Penzance Treneere was ranked as the most deprived small area within Penzance, ranked the 185th most deprived small area nationally (Figure 2B). Similarly, Newlyn West was ranked as the least deprived small area within Penzance against both domains. For both datasets, spatial mapping suggests a high degree of spatial heterogeneity across Penzance (Figure 2), with LSOAs in Penzance ranked from 346th to 19,210th nationally for the Employment Deprivation domain and from 185th to 19,404th nationally for the Income Deprivation domain.

LSOA code and name	Employment rank	Income rank
Cornwall 067E: Penzance Treneere	346	185
Cornwall 068A: Penzance St Clare and Town	1,079	2,217
Cornwall 068C: Penzance Wharveside and Town	3,100	3,910
Cornwall 070D: Newlyn Harbour and Gwavas	3,524	2,844
Cornwall 067D: Penzance Chyandour and Eastern Green	3,550	5,982
Cornwall 067B: Heamoor Village	3,636	4,622
Cornwall 067C: Penzance Alverton	5,186	8,464
Cornwall 068D: Penzance Promenade	5,272	7,852
Cornwall 070A: Penzance Wherrytown	5,453	8,203
Cornwall 068B: Penzance Battlefields	11,510	8,442
Cornwall 070C: Newlyn West	19,210	19,404

Table 3. Rank scores for LSOAs in Penzance for the Employment Deprivation and Income Deprivation domains of the IMD dataset from 2019, taken from ONS data (ONS, 2021). LSOAs are ranked from most deprived (1) to least deprived (32,844) small areas nationally

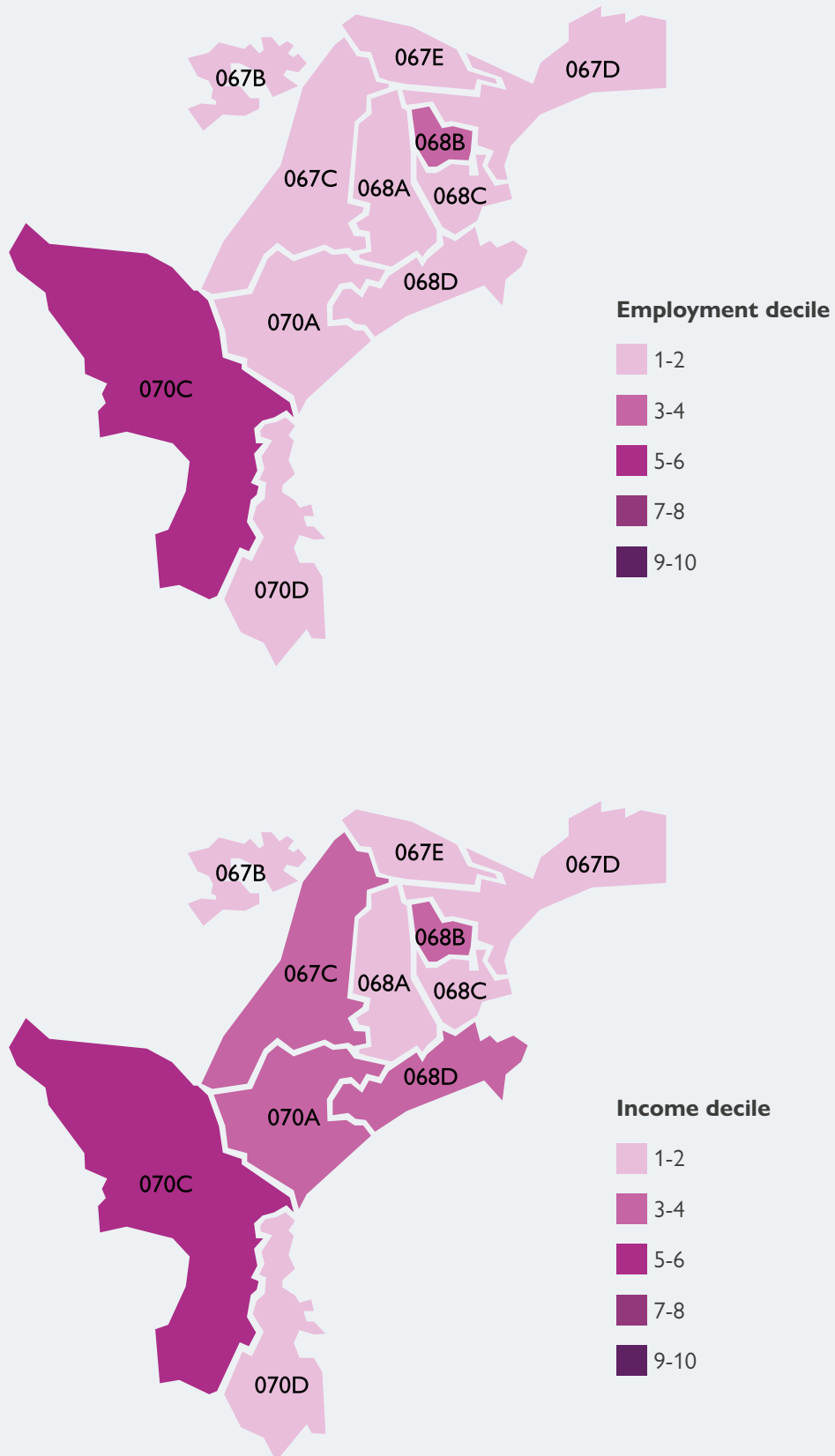


Figure 2. Employment (A) and Income (B) Deprivation domain deciles for Penzance, displayed at LSOA resolution, colour coded to represent decile score from 1 (most deprived) to 10 (least deprived), taken from ONS data (ONS, 2021).



## LIVING COSTS

Overall, the cost of living in Cornwall is rising, with particular concerns about the rising costs of accommodation (Gallent et al., 2016). In September 2021, average UK house prices were £270,000, and £288,000 in England (ONS, 2022b). In Cornwall, average house prices were £270,079 in September 2021, which represents a rapid increase of 15% in a year, and 23% when compared with house prices in early (April) 2019 (Cornwall Council, 2021a; <https://www.rightmove.co.uk/house-prices-in-Cornwall>). This growth has been partially stimulated by fiscal policies introduced as a result of the COVID-19 pandemic, including stamp duty holidays. Further, rural areas such as Penzance have experienced higher price growth, most likely due to change in lifestyle and housing priorities amongst the population. Cornwall has been identified as an area of substantial house price growth since the COVID-19 pandemic (<https://www.rightmove.co.uk/house-prices-in-Cornwall.html>) and publicly available data, e.g. from press, suggests that demand for

both rental and buying properties is strong. Accordingly, Cornwall was the most searched for location in England and Wales in February 2021 (Cornwall Council, 2021a).

In Penzance, the House Price Statistics for Small Areas (HPSSAs) dataset (ONS, 2022b), available to Middle Layer Super Output Areas (MSOAs), shows that average house prices have generally experienced steady annual growth since 2017 (Figure 5) (dataset released November 2021). House price data, available to MSOA level, shows that house prices exhibit substantial spatial variation, with houses in Penzance South and Newlyn, on average, the most expensive (£334,776) compared with houses in Penzance North (Cornwall 067) (£258,994) and Penzance Central (Cornwall 068) (£216,356) (Figure 5). Data shows that average house prices have increased 9% in Penzance Central, 14% in Penzance North and 18% in Penzance South and Newlyn from 2017 to 2021 (ONS, 2022b). Median house prices increased the most in Penzance North (24%) compared with Penzance Central (7%) and Penzance South and Newlyn (5%) (ONS, 2022b).



Figure 5. Average house prices (£) from 2017 to 2021, using data taken from House Price Statistics for Small Areas (HPSSAs) release (ONS, 2022b).



Compared with national rates, which showed house prices in the UK averaged £256,000 (and £275,000 in England) in March 2021, average prices are much higher in Penzance South and Newlyn, and close to the national average in Penzance North and slightly lower in Penzance Central. Note that it is anticipated that prices around the Penzance area will likely have further increased since the time period that this data covers (March 2021).

In order to further identify issues around housing and also provision of local services, data was collated for LSOAs in Penzance from the IMD dataset. The domain 'Barriers to Housing and Services' (BHS) dataset measures the physical and financial accessibility of housing and local services<sup>3</sup> and can, therefore, be used to partially understand housing security (Turner et al., 2021).

Interestingly, in comparison to the Income and Employment Deprivation Domains, Penzance is ranked more favourably for the BHS domain. Of the LSOAs, only Newlyn Harbour and Gwavas was ranked within the most 20% deprived small areas nationally. Furthermore, considerable changes have been seen in some LSOAs in Penzance since 2015 (Table 4). For example, in 2015, Penzance Treneere was ranked 1,492nd of LSOAs nationally, and was in the most deprived 10% (decile 1), whereas, in 2019 it was ranked 10,617th and was in the most deprived 40% (decile 4). However, it is unclear as to the impact of the changes in house prices and demand for rental properties within Penzance in the last two years on this domain, as data is only available until 2019.

LSOA code and name	BHS rank
Cornwall 070D: Newlyn Harbour and Gwavas	5,381
Cornwall 067E: Penzance Treneere	10,617
Cornwall 070C: Newlyn West	11,271
Cornwall 067D: Penzance Chyandour and Eastern Green	12,234
Cornwall 067C: Penzance Alverton	15,809
Cornwall 067B: Heamoor Village	19,089
Cornwall 070A: Penzance Wherrytown	19,310
Cornwall 068C: Penzance Wharfside and Town	21,571
Cornwall 068D: Penzance Promenade	22,378
Cornwall 068A: Penzance St Clare and Town	22,899
Cornwall 068B: Penzance Battlefields	25,842

Table 4. Rank scores for LSOAs in Penzance for the Barriers to Housing and Services domain of the IMD dataset, taken from ONS data from 2019 (ONS, 2021). LSOAs are ranked from most deprived (1) to least deprived (32,844) small areas nationally.

<sup>3</sup>Calculated by summing indicators relating to geographical barriers, including physical proximity of local services, and wider barriers which includes issues relating to access to housing such as affordability

Concern over rising living costs is also related to the rising cost of fuel and the related implications for both transport and home energy costs, particularly within the last year. In order to identify potential trends and issues surrounding rising fuel costs, a proxy dataset on the proportion of households considered to be in 'fuel poverty' was used<sup>4</sup> (Department for Business, Energy & Industrial Strategy, 2022). Under this dataset, a household is defined as in fuel poverty; 'if they are living in a property with a fuel poverty energy efficiency rating of band D or below and, when they spend the required

amount to heat their home, they are left with a residual income below the official poverty line'. This data shows high spatial heterogeneity in fuel poverty across the small areas in Penzance (Figure 6), with the highest proportion of fuel poor households in Newlyn Harbour and Gwavas (where 18.3% households are considered fuel poor). Note again that the most recently available data pertains to 2019, and the impact of recent increases in fuel prices on the proportion of houses in fuel poverty is not known.

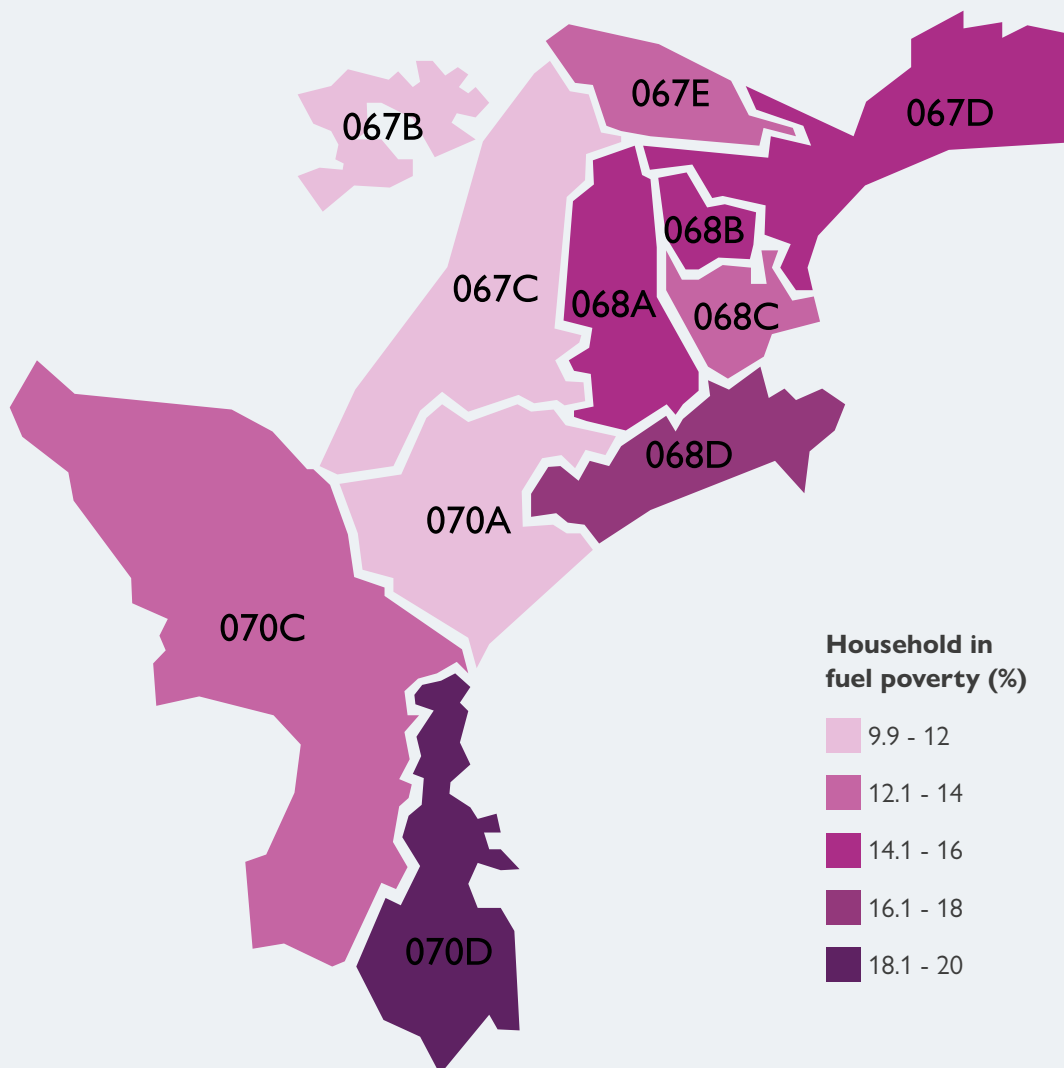


Figure 6. The proportion of households within the Penzance area that are classified as in 'fuel poverty' in 2019. Data taken from 'fuel poverty sub-regional statistics' (Department for Business, Energy & Industrial Strategy, 2022).

<sup>4</sup>'Fuel Poverty' dataset collated from the Department for Business, Energy & Industrial Strategy National statistics



# SURVEY RESULTS

## EMPLOYMENT AND INCOME IN PENZANCE

Amongst all survey participants, key concerns relating to employment and income were focused on poor wage rates, the lack of diversity of available jobs and job security. Wage rates and the diversity of the job market were highly interlinked issues for some participants, who perceived a need to attract larger businesses and/or more highly skilled job opportunities to Penzance, which would give younger people more options. For example, one participant said, “attracting new businesses into the local area would increase the level of well-paid roles”. When specifically asked about potential improvements to employment within Penzance, participants repeatedly mentioned the lack of diversity of jobs on offer, with the focus on hospitality and tourism perceived to be detrimental by some. For example, one participant

reported, “[there is a need for] more diversity of jobs as everything seems to be hospitality”. Another stated, “the job market is quite limited, mainly hospitality, care or retail”.

When asked about their employment situation, as many as 76% (n=80) disagreed with the statement ‘it is easy for me to find a job that pays enough in Penzance’ (comprising 48% (n=51) who ‘strongly disagreed’ and 27% (n=29) who ‘somewhat disagreed’) (Figure 7). Interestingly, however, as many as half (50% n=53) ‘strongly agreed’ or ‘somewhat agreed’ that they were adequately financially rewarded for their job and more than half (57%, n=61) ‘strongly agreed’ or ‘somewhat agreed’ that they felt satisfied in their employment (Figure 7). This suggests that although people are very concerned about their employment opportunities, once they are in work, about half of them feel reasonably rewarded and satisfied with their job.

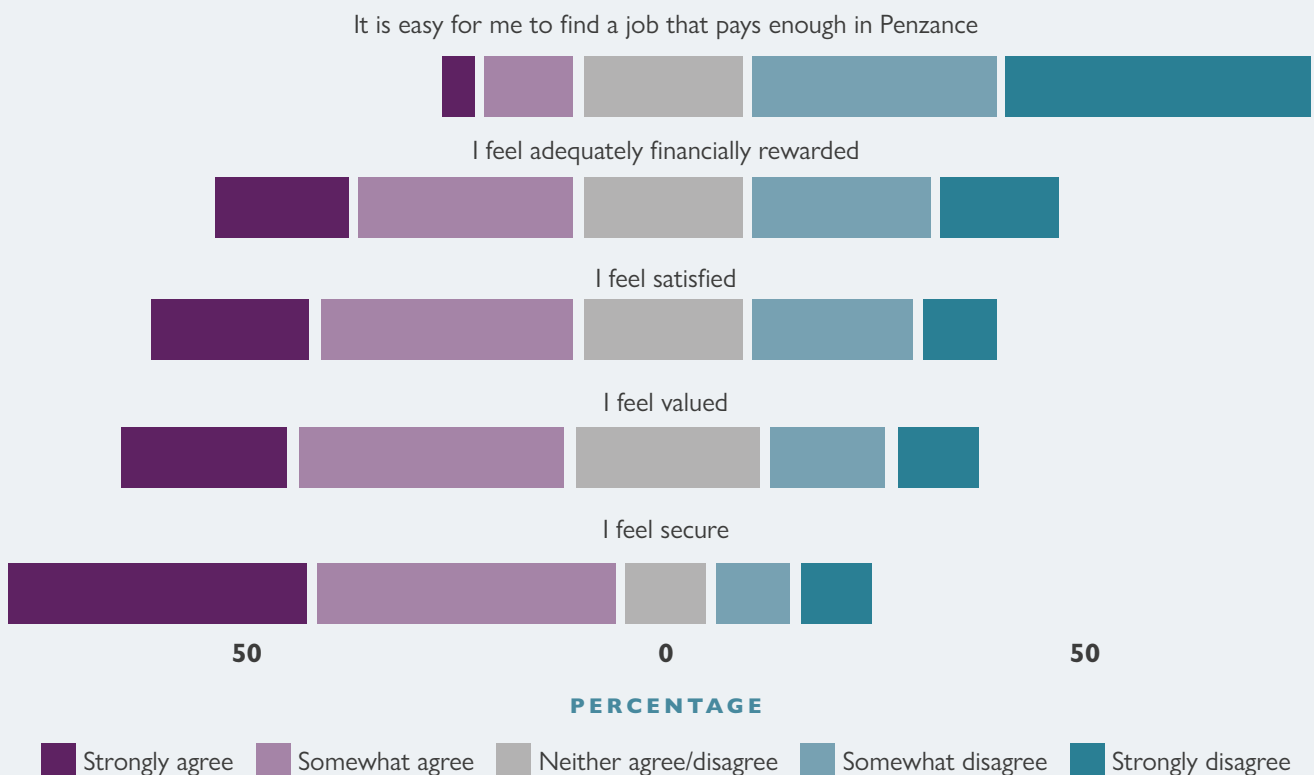


Figure 7. Response of all survey participants to the question “Please describe the extent to which you agree with the following statements about your main job/work?”

When asked about potential improvements that would help improve employment and income across Penzance, 48 participants provided suggestions. The most frequently mentioned were increased wages, whether that be hourly rate or annual salary rates (n=11 participants), and the kinds of jobs that were available (n=9 participants)

(Table 5). Reducing seasonality and zero/low hour fixed contracts was also identified (n=7). Some participants linked this with the increased use of zero-hour contracts by larger employers (such as supermarkets and hospitality), and the regional reliance on tourism.

Category	Sub-category	Description	Exemplar quote	Prevalence (% , n)
Wage levels	Rate of pay	Improvements in pay, including increasing to the minimum wage	“Employers to pay a proper living wage (I’m currently on £8.91 p/h)”	11
Education and training	In-employment training	More graduate or apprenticeship positions, as well as training within roles to enable progression	“Hiring and teaching unqualified staff new skills rather than looking for qualified people”	6
	Training and education	Improvements in training and education, including advice around employment	“Additional training to upskill”	5
Contract type	Seasonality	Less variability in hours offered by employers and reduction in prevalence of seasonal work	“More all year employment”	7
	Fixed hours	Increase in guaranteed hours and cessation of zero-hour contracts	“There also needs to be less part time and more full-time employment”	7
	Permanent contract	Increased security in job, including permanent positions	“Guaranteed job security”	3
Job market	Location of work	Flexibility in work locations, e.g. offering remote work, may improve offering for Penzance residents	“Access to remote working will allow locals to earn more money to afford homes in the area as well as allow them to use their qualifications”	1
	Diversity across sectors	A broader offering of jobs, across varied sectors would allow more people to access suitable and fulfilling jobs	“More diversity of jobs. Everything seems to be hospitality”	9
Business environment	Business environment	Improvements in the economic and social conditions in Penzance to encourage employers	“If business rates came down more shops could open and pay more”	2
	External funding	External funding from regional and national bodies to support existing jobs/schemes, as well as funding for new businesses	“In the field of Wellbeing Health Care, funding support from Local council and NHS and other relevant statutory bodies would be great”	4
Other	Connectivity	Improvements in transport and internet connections would improve working life	“Improved broadband”	4
	Living costs	Decreased living costs and suitable living conditions, e.g. accommodations for employees	“Lower cost of living to allow people to actually enjoy themselves outside of work”	1

Table 5. Thematic analysis of participant (n=48) responses to the question “Please describe any other improvements you feel would benefit the Penzance job market”.

When asked about their own personal priorities for employment in the future, survey participants mostly (n=32) wanted to progress up the career ladder with

the same employer, although ambitions to work fewer hours and stopping work altogether were also common priorities (n=31 and n=26, respectively) (Figure 8).

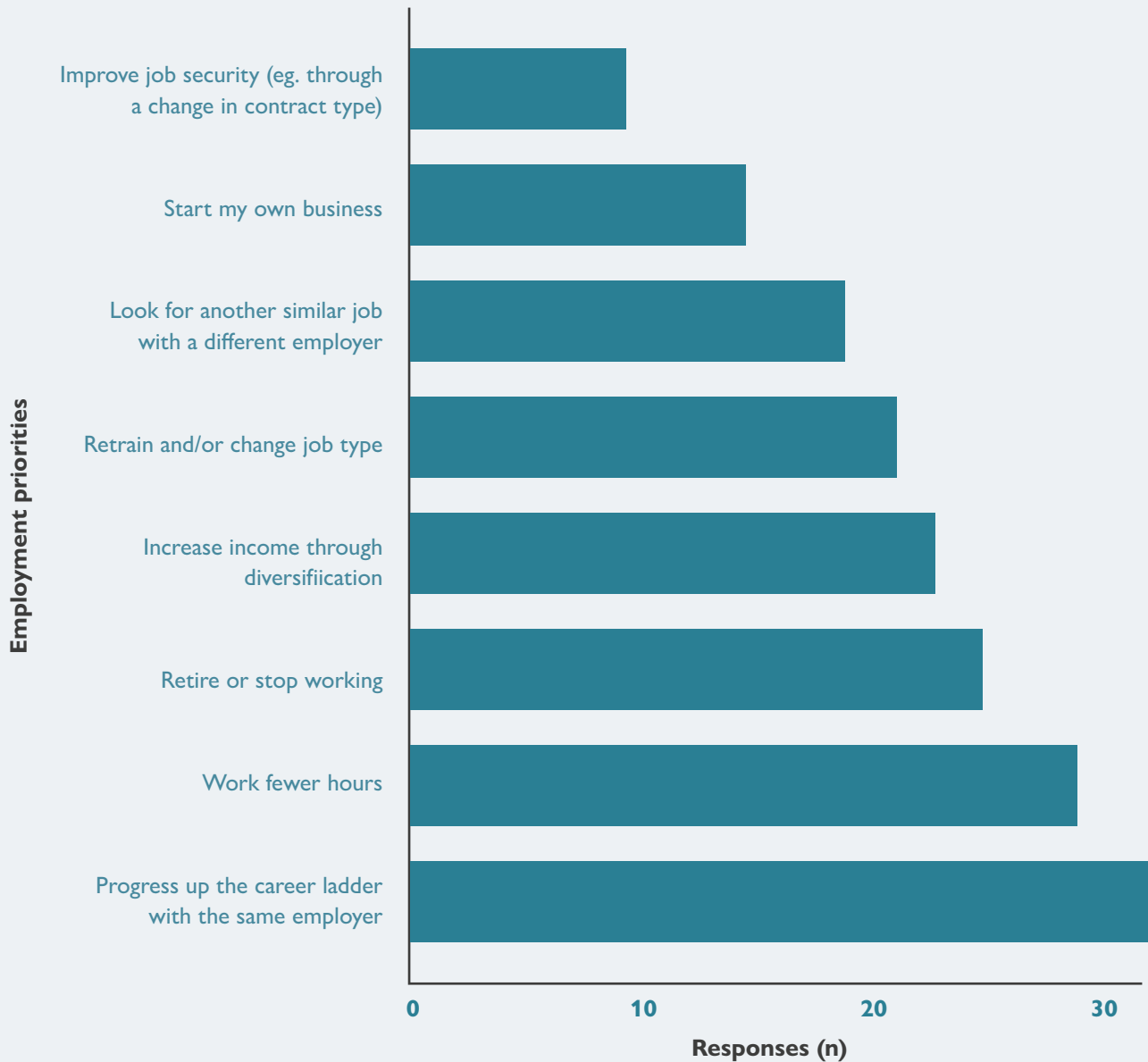


Figure 8. Identified priorities for future employment amongst all survey participants.

When asked about the challenges related to their income, household bills were the most common concern, with 40% (n=42) of participants disagreeing with the statement

'I have sufficient income not to worry about monthly household expenses, e.g. bills' (Figure 9). When asked specifically about whether they had enough income to

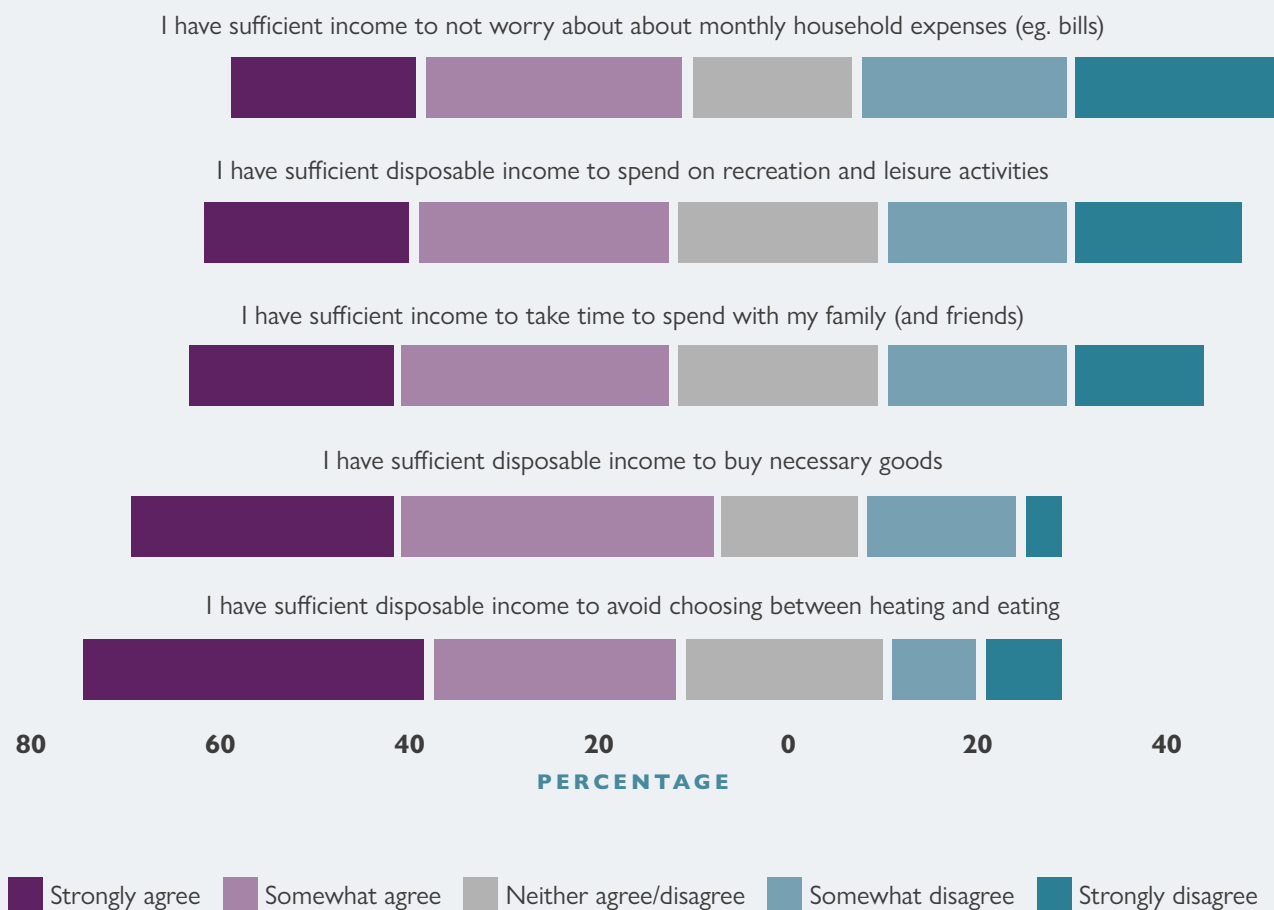


Figure 9. Response of all survey participants to the question “Please describe the extent to which you agree with the following statements about your income?”

## THE POTENTIAL IMPACT OF THE REAL LIVING WAGE

Overall, 72% (n=65) of survey participants said they were paid at or above the RLW compared with 28% (n=25) who said they weren't. Amongst self-employed people, 58% (n=7) said they received the RLW, compared with 17% (n=2) who said they didn't. For some participants with more than one job, 17% (n=2) said the RLW wasn't paid for all their work. When asked about whether others at their work were paid the RLW, 48% (n=52) said they were and 32% (n=35) said they weren't (although as many as 20%, n=14 didn't know or didn't want to answer). Knowledge of whether other employees were paid the

RLW was lowest amongst healthcare (60%, n=3) and transport and storage (67%, n=2) employees. Participants working in wholesale and retail trade most frequently (71%, n=10) said that not everyone was paid the RLW within their company.

Of those not paid the RLW, 19% (n=6) worked in the wholesale and retail trade, 12% (n=4) worked in administrative and support, 12% (n=4) worked in other service activities and 10% (n=3) worked in accommodation and food (Figure 10). The largest job sector type recorded for those who weren't paid the RLW was 'other', which included those working in personal assistant and mentoring positions.

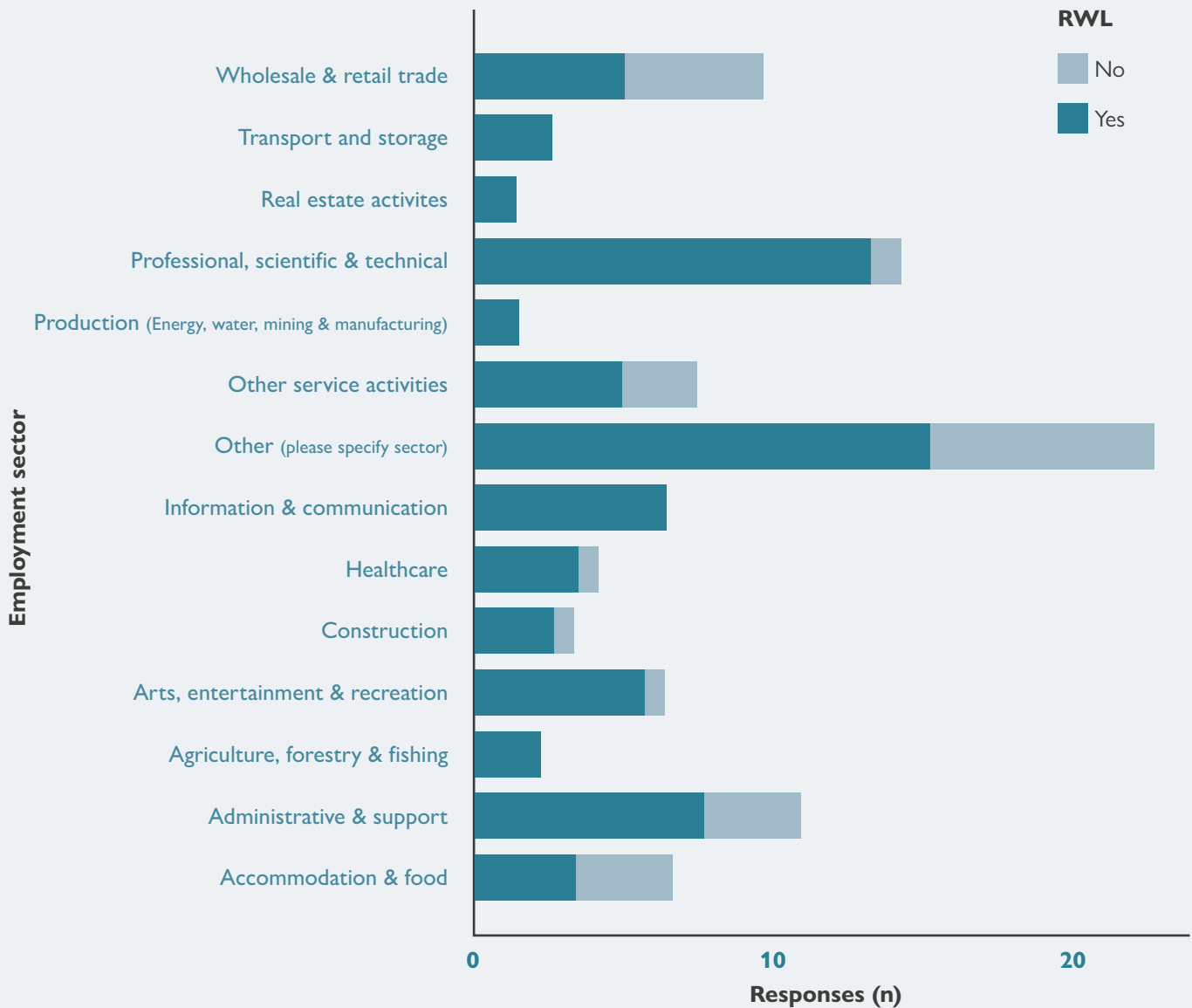


Figure 10. Number of participants that are paid the RLW or not (indicated by colours), according to employment sector.



The majority (76%, n=22) of participants not paid the RLW were female, and this mirrors survey participation, as females made up 70% (n=80) of all survey participants who provided their gender (Appendix 1). In relation to age, there were participants across all age categories (apart from 65+) who were not paid the RLW although, as might be expected, younger workers were more likely to experience lower rates of pay. About a quarter of those aged 18-25 (23%, n=7) and those aged 26-35 (29%, n=9) reported being paid less than the RLW (Table 6).

Amongst those not paid the RLW, 9% (n=3) held a postgraduate university degree, 34% (n=11) held an undergraduate university degree and 50% (n=16) had advanced secondary school (e.g. A level) or the equivalent qualifications from full-time vocational training (Table 6). One individual with a postgraduate degree remarked

that they had struggled to get a job in the local area after graduating and remarked “qualifications don’t seem to justify the pay in the area, i.e. I have a university degree and am still paid minimum wage”. Only 3% (n=1) had left school at 15/16 years of age.

A much lower proportion of those paid below the RLW owned the house they lived in, with only 32% (n=10) of those paid below the RLW doing so, compared with 62%, (n=42) of survey participants paid above the RLW. Renting privately and living with family and friends was more common for those not paid the RLW (both 28%, n=9 respectively) (Table 6). One participant who did not own their property explained “we have been saving for a mortgage but there is very little chance we can afford any houses with the percentage they’re going up. It’s a shame as we are both full time workers and try our best”.

Sociodemographic	RLW	Not paid the RLW
<b>Age</b>		
18-25	4% (3)	23% (7)
26-35	26% (18)	29% (9)
36-45	13% (9)	16% (5)
46-55	28% (19)	13% (4)
56-65	26% (18)	19% (6)
66+	1% (1)	-
<b>Gender</b>		
Male	24% (16)	24% (7)
Female	76% (52)	76% (22)
<b>Education</b>		
Postgraduate degree	24% (16)	10% (3)
Undergraduate degree	37% (25)	35% (11)
Advanced secondary (e.g. A levels)	21% (14)	52% (16)
Secondary school (up to 15/16 years)	13% (9)	3% (1)
Other	6% (4)	-
<b>Living status</b>		
Live in property they own	62% (42)	32% (10)
Rent privately	18% (12)	29% (9)
Rent from a housing association	6% (4)	6% (2)
Live with family/friends	13% (9)	29% (9)
Other	1% (1)	3% (1)
<b>Job number</b>		
1	90% (61)	73% (22)
>1	10% (7)	27% (8)

Table 6. Sociodemographic characteristics of survey participants split into those paid the RLW (left) and those not (right). Total responses shown in brackets (), and % represent proportions for those who provided an answer.

The number of participants engaging in multiple jobs was proportionally higher (27%, n=8) for those who were not paid the RLW than for those who were paid the RLW (10%, n=7). Several participants explained that they had to undertake additional temporary, or seasonal, jobs to increase their income. When asked about whether being paid the RLW would reduce their need to work other jobs, 33% (n=5) of those who answered this question (n=15) said it would help a 'great deal', 26% (n=4) said it would help a 'moderate amount' (Figure 11).

Overall, 54% of those who answered the question about whether being paid the RLW would help improve their financial situation said it would help 'a great deal' or 'a lot' (Figure 11). Interestingly, there was a breadth of sentiment as to whether it would improve feelings of respect and happiness at work for survey participants (Figure 11). There wasn't a general feeling that it would make survey participants work harder, and one participant explained "I would feel more respected but also it wouldn't make me work less or not as hard because I'm already giving 100% into my work".

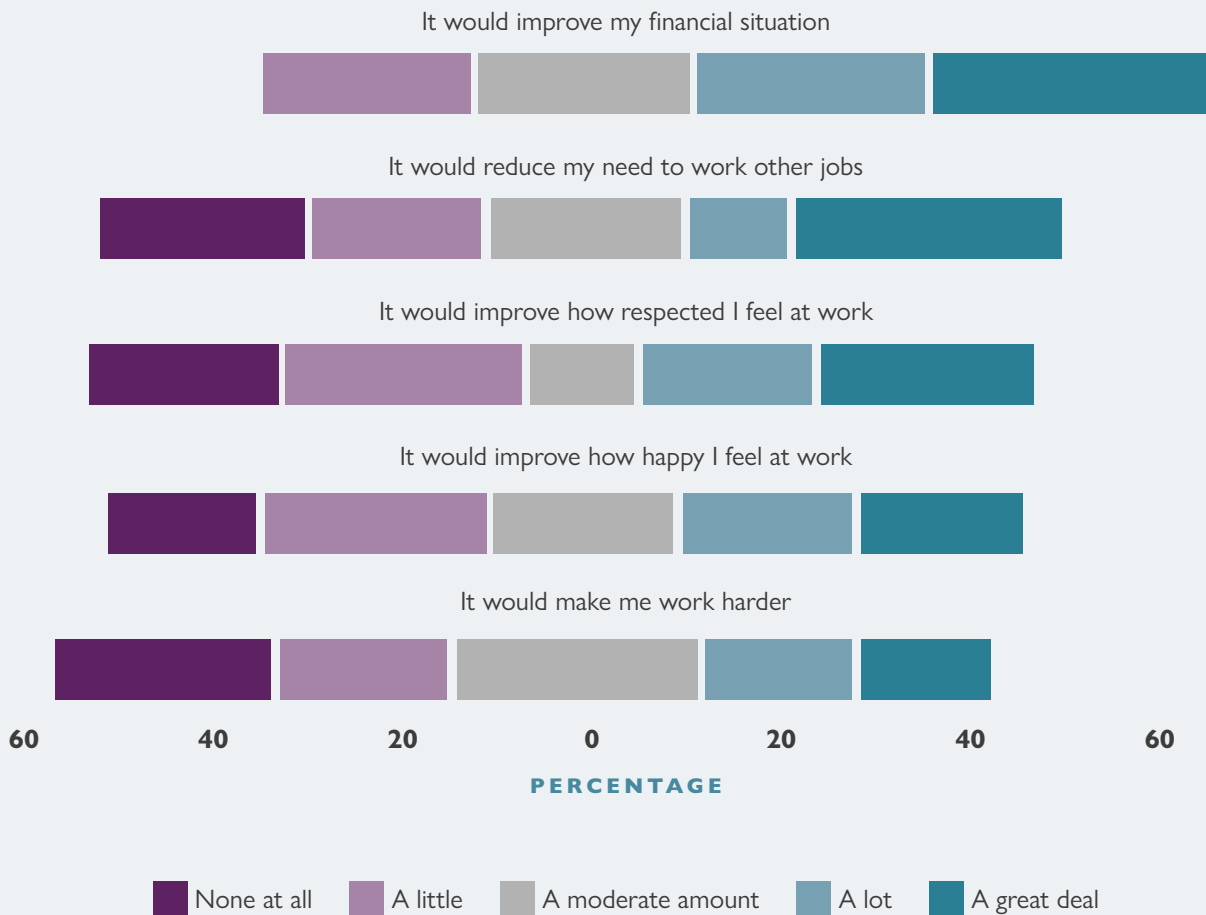


Figure 11. Response of participants (not paid the RLW) to the question "Please indicate any impact(s) being paid the Real Living Wage has had on your working life".

When asked about the potential impact the introduction of RLW could have on their personal lives, 88% (n=22) of those who answered said it would have some impact on their mental wellbeing, with 48% (n=12) saying it would help 'a lot' or 'a great deal'. Some participants identified a link between low pay and being able to spend time with family and friends, and 75% (n=18) of those who answered said being paid the RLW would have some

impact on their available time for socialising (Figure 12). This was exemplified by one participant, who stated "if I was better paid for the work that I do, I would be able to work less full weekends and have occasional days at home with my family while still contributing to the household finances".

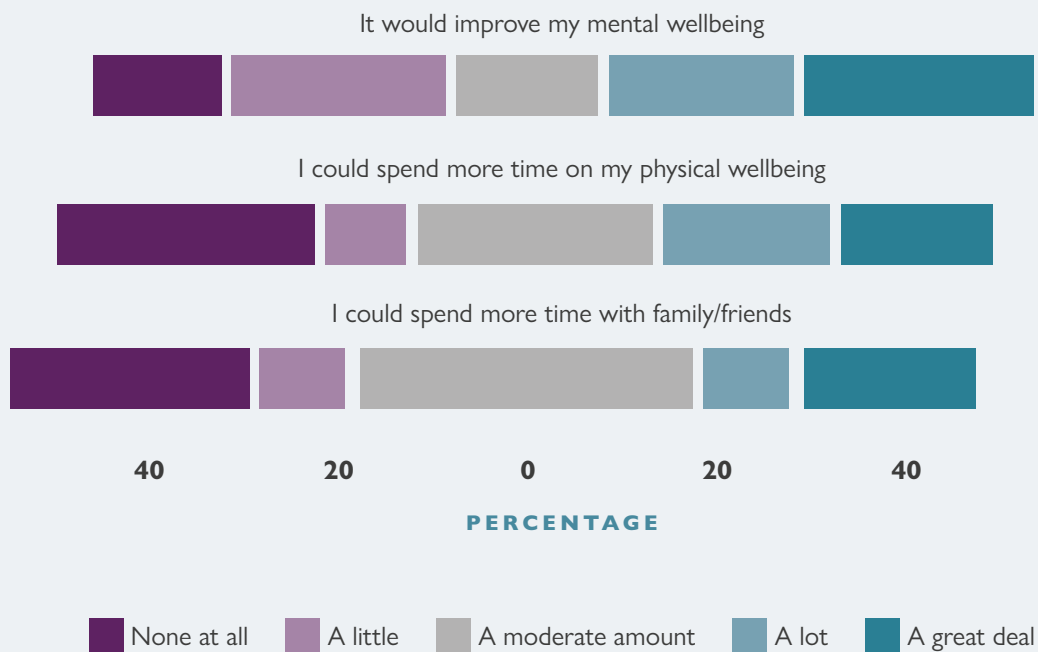


Figure 12. Response of participants (not paid the RLW) to the question "Please indicate any impact(s) being paid the Real Living Wage would have on your personal life".

### SELF-EMPLOYED FEMALE WITH 2 DEPENDENTS

A woman (aged 36-45 years) who is self-employed, with two jobs in administration and support (for 6 months) and arts and entertainment. Neither of these jobs offer fixed weekly hours, and she explained that her hours will vary from week to week, commenting that *“Penzance is a town of care workers, delivery drivers, people who have zero hour/casual pay jobs in hospitality or at places like Sports Direct. A Real Living Wage would be fantastic, but I think it is important that people get paid on a regular basis as well”*. She explained that she may be paid above the RLW for some of her work but not all of it and on average, she earns £1,200 monthly to support her and her 2 dependents. She had concerns about meeting her monthly payments which include renting privately, stating *“I always worry that an unexpected bill might push me into poverty”*. Overall, she strongly agreed that the RLW would have a positive impact on the economic status of Penzance residents, it would improve the reputation of the town and signal the intent of local authorities to improve resident’s quality of life. Housing issues were identified as a key priority for her, and she said: *“that there are not enough houses to buy or rent for the lower income brackets”*.

### INDIVIDUAL WORKING IN WHOLESALE AND RETAIL TRADE

An individual (26-35 years) employed in wholesale and retail trade for 10 fixed hours weekly on a permanent basis (for > 5 years), giving a monthly income of £800. Their working hours had been reduced and/or they had been temporarily suspended as a result of COVID-19, and they had taken on an additional second job, that provided an additional ~£800 in monthly income, although there were no fixed weekly hours. They explained that *“during the summer months when I work two jobs, it’s comfortable to get by but we do struggle during the winter, we eat but not well”*. When asked about the potential impact of being paid the RLW, they said it would help ‘a lot’ financially and to feel more respected at work. It would also potentially reduce the need to work other jobs besides their main job. Relatedly, they raised several concerns about the prevalence of seasonal and zero-hour contracts, saying: *“I think fewer employers should rely on seasonal work and zero-hours contracts, although I understand that most of the work is seasonal so it’s a tough balance”*.

## FEMALE WORKING IN CARE AND LIVING AT HOME

A woman (aged 26-35) with an undergraduate degree who is paid less than the RLW for her main job as a personal assistant and carer (for 21 hours weekly in permanent employment). This provides a monthly income of £1,000 which is supplemented by a second job (~4 hours weekly on average), which does pay above the RLW. In response to questions about the potential personal impact of the RLW, she answered that it would help her financially and reduce her need to work other jobs “a little”, but that it would make her feel ‘a great deal’ more respected at work. Explaining that she lives at home, and is supported financially, by her parents, she stated that *“If I wasn’t able to be supported by my parents in this way I wouldn’t be able to afford accommodation and living costs on my current salary”*. When asked about house ownership being a realistic prospect she disagreed and explained that she wasn’t looking for alternative accommodation. Relatedly, she told us: *“I know it will be difficult for me to save up enough money to buy a house or even be offered a mortgage as a single self-employed person, while it will also be difficult to find rented accommodation that I could afford due to the housing crisis here”*. She said that being paid the RLW would improve her mental wellbeing “a moderate amount”, and she explained that although there may be more employment opportunities outside of Cornwall, living here is positive for her mental wellbeing. When asked about the potential impact of the RLW for Penzance as a whole, she strongly agreed that it would have a positive impact on the economic status of Penzance residents, improve the reputation of the town and signal the intent of local authorities to improve resident’s quality of life. Related to comments about accommodation and employment, she voiced her concerns that *“I also feel there is not really a future for young people like me in Cornwall”*.

## MALE WITH SEASONAL WORKING PATTERNS

A man (56-65 years) who is employed permanently in the wholesale and retail trade with fixed weekly hours (~15). He explained that due to the nature of his contract, his income and financial situation fluctuates, and during the ‘holiday seasons’ he can work up to 42.5 hours weekly, which provides sufficient income. However, outside of these times, his income drops drastically, and he stated that there is a problem as *“supermarkets only offer 15-hour contracts at the moment”*. COVID-19 had also had an impact on his earnings, as he explained that he had lost work during the pandemic. Overall, he stated that being paid the RLW would help a moderate amount to improve his financial situation, but that it wouldn’t have any impact on his personal life.

### PERCEPTIONS OF PENZANCE BECOMING A LIVING WAGE TOWN

Survey participants were asked about their attitudes towards Penzance becoming a 'Living Wage Town' and all wages increasing to the RLW. Amongst survey participants, there was broad support for Penzance becoming a 'Living Wage Town', with 59% (n=63) of those who answered strongly agreeing it would 'have a positive

impact on the economic status of Penzance'. A further 30% (n=32) somewhat agreed with that statement (Figure 13). This sentiment was summarised by one survey participant (who wasn't paid the RLW) who said, "as a very poor area Penzance suffers from the lack of money and opportunities other places experience. If it's working residents had more [money] they would spend more in the town which would have a positive knock-on effect on businesses and other aspects".

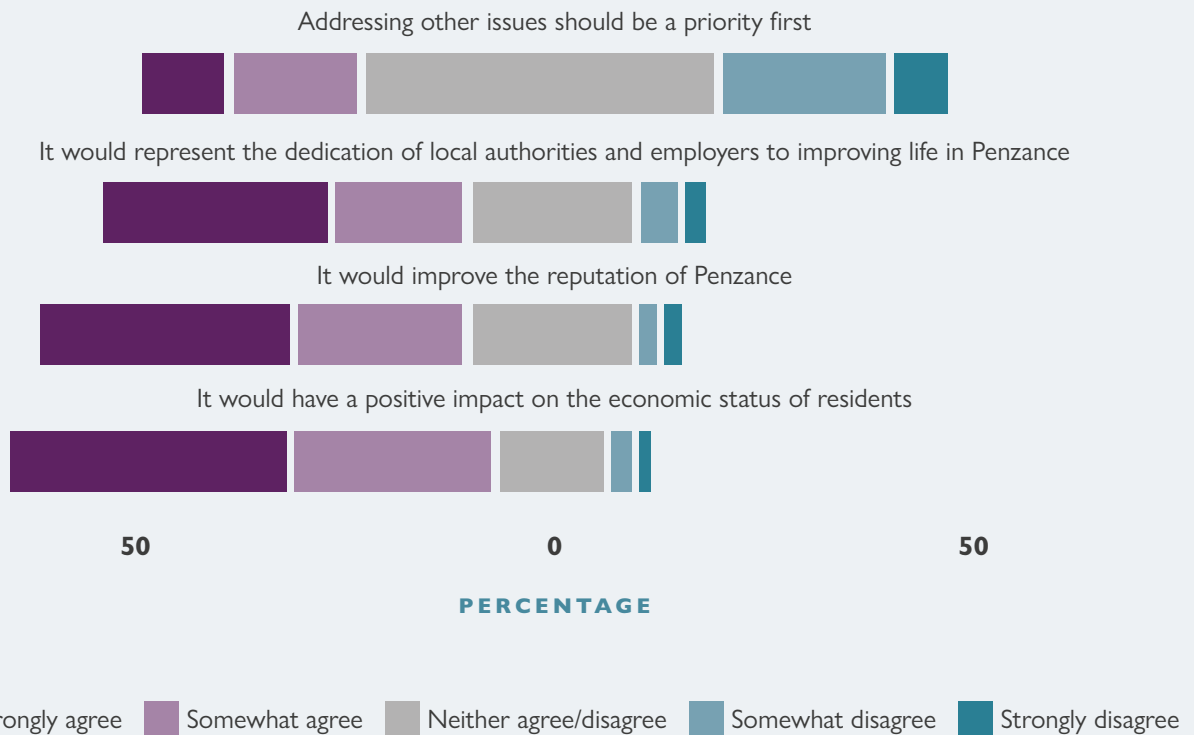


Figure 13. Response of all survey participants to the question “Please describe the extent to which you agree with the following statements about the impacts of Penzance becoming a Living Wage Town?”

The majority of survey participants strongly agreed that it would ‘represent the dedication of local authorities and employers to improving life in Penzance’ (63%, n=66) and ‘it would improve the reputation of Penzance’ (57%, n=61). Participants highlighted examples of positive impacts for individual residents and Penzance as a town when elaborating on their answers. For example, one participant stated, “it would be brilliant for young people” and another told us, “I witness social inequalities

and the impact of them daily. This would go some way to rebalance things and have multifaceted benefits on society”. That said, there were some concerns that the uplift would be insufficient to substantially improve socioeconomic status of residents and reduce reliance on state support. For example, one participant stated, “I think the real living wage is still too low if you want people to have a better standard of living, although I'd be grateful for any increase”.

## ADDITIONAL PRIORITIES AND ISSUES

Overall, the broader socio-economic context of Penzance may mediate the potential impact of widespread adoption of the RLW. In particular, the rising costs of living and the effect of current socio-political events such as COVID-19, may limit the effect of the uplift in wages for those in lower pay brackets. Such issues, mostly focused on rising living costs, were at the forefront of survey participant concerns. Consequently, some survey participants considered that the uplift to the RLW (£0.40 per hour) would be insufficient to tackle rising costs. For example, one survey participant stated, “Cornish expenses are rising. The national living wage does not cover the rising inflation that is affecting our community”. Another further stated, “I’ve never known a time when so many of my friends have struggled to find work and earn enough to

live, while the cost of living (specifically rent for those that cannot get a mortgage) has become so unrealistically inflated”.

Concerns about accommodation costs (renting and buying) were a primary issue identified during both surveys and interviews. Most (67%, n=68) survey participants strongly disagreed with the statement ‘houses are affordable in Penzance’ (Figure 14). Only 40% (n=42) agreed that house ownership was a realistic prospect for them. One participant summarised, “Of course the living wage is important, but I believe that the housing challenges in Penzance, whilst not being totally unrelated to the lack of a living wage for everyone, might be more of a priority”. One participant (not paid the RLW) similarly told us that “real living rents would be biggest help, e.g. controls on housing”.

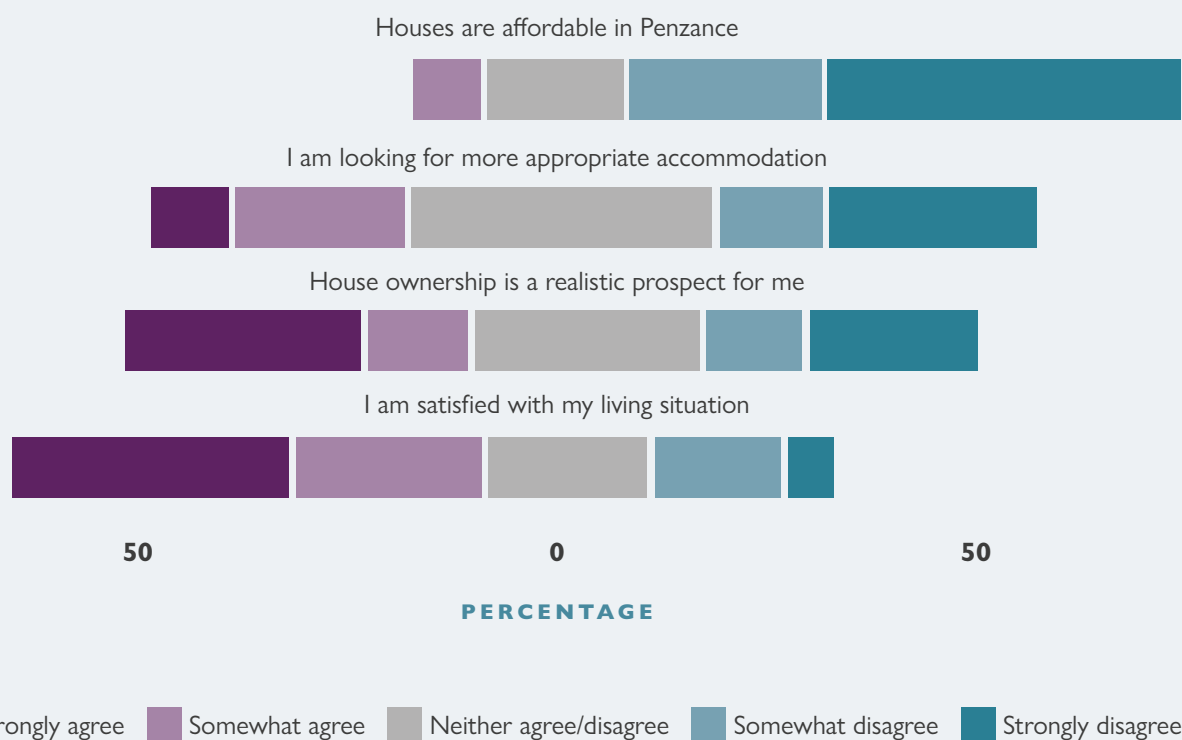


Figure 14. Response of all survey participants to the question “Please describe the extent to which you agree with the following statements about housing?”.

Alongside concerns about rising accommodation costs, there were identified concerns about broader increases in living costs. For example, heating was identified as a key concern by survey participants. One survey participant (not paid the RLW) stated, “we don't have a lot of disposable income and we try not to use our central heating unless we really have to. Instead we wear extra jumpers and blankets”.

When asked about the impact of COVID-19, survey participants most frequently mentioned (26%, n=20) reduced working hours, real-life examples of this

included self-employed persons who had lost clients and employed persons with no fixed hours who had lost work (Figure 15). Respondents, 23% (n=17), also mentioned being temporarily suspended from their job or work. Interestingly, 8% (n=6) mentioned increased workload and 83% (n=5) of these specified that they were working more but not for increased pay.

Of those that provided additional detail under ‘other impacts’ (n=7), 71% (n=5) provided negative impacts, which included struggling to find a job after graduation (n=1) and becoming unemployed (n=1).

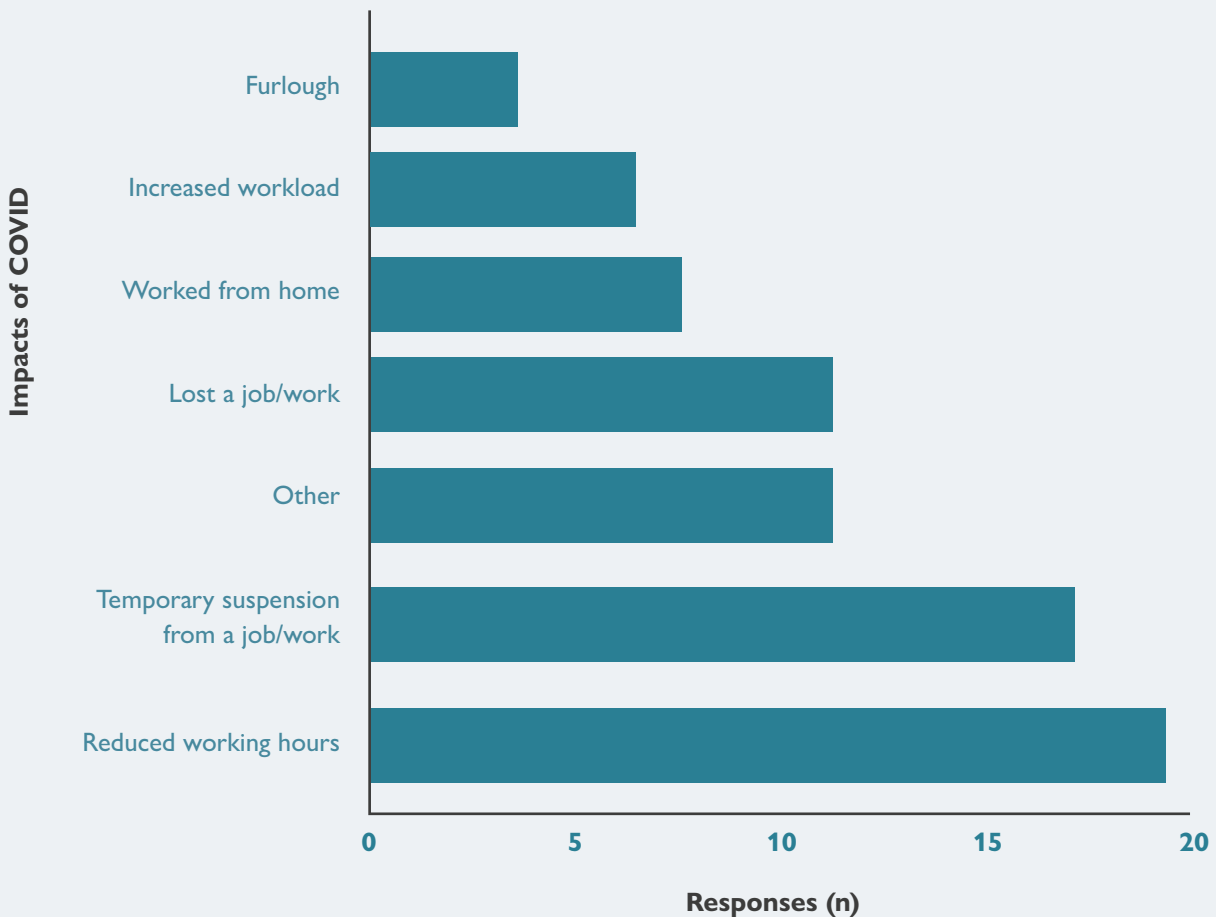


Figure 15. Response of all survey participants to the question ‘what are the personal impacts of COVID-19 on your working lives?’





# INTERVIEW RESULTS

This section presents findings from interviews with 12 employers in the Penzance area. Findings are split into sub-sections that represent key themes identified in the data during thematic analysis, and quotes are used throughout to illustrate findings. For the purposes of this section, employers are described as 'RLW employer' if they pay all their staff the RLW (regardless of whether they are accredited), and 'non-RLW employers' if they don't. Those who are accredited are referred to as 'RLW-accredited' employers.

## AWARENESS AND PERCEPTIONS OF THE RLW

Overall, both non-RLW and RLW employers expressed broadly supportive views for the RLW, and most identified one or several positive impacts for Penzance as a whole (Table 7). However, this hadn't translated into widespread adoption of RLW rates for all employers, and 46% (n=5) said they didn't pay the RLW.



Employment sector	Overall support for the RLW	Pay the RLW?	Accredited
Service	"It's the right thing to do"	Yes	Yes
	"We would support it, and do all we can to support it" "Our pay is very favourable, we would like to be able to pay more, but... we are very poorly funded"	No	No
	"This is a great thing we should get behind" "It's something that I just, for me just makes complete business"	Yes	No
Hospitality	"I can afford to...and it was the right thing to do to inspire loyalty and conscientiousness [amongst employees]"	Yes	No
	"I'm totally sold on the idea. I think it will be great for the town to really promote it" "It's certainly an aspiration"	No	No
	"That's the sort of position that you're in as an employer here [in Penzance] to start with, you've got to pay over and above otherwise, you don't get anyone"	No	No
Non-profit organisations	"They [employees] get an awful lot more than the pensioner... give up some of them luxuries are my answer to that" "Perhaps we can't afford to do that"	No	No
	"It's an aspiration, it might be something we can move towards in the next couple of years. We couldn't make a rock-solid commitment now"	No	No
	"I don't know about it [the RLW scheme]. It wasn't even a conscious choice to pay what we're paying, we just thought that was what our staff deserve"	Yes	No
	"The main reason I did it was just to give people a nice life"	Yes	Yes
Retailers	"We were already paying the living wage, so it was a simple thing to do and an obvious thing to do"	Yes	Yes
	"I think it's very important. I, but I do also think that you have to balance it through...as [my staff] they're guaranteed work 12 months of the year...I like to think I'm a very fair employer"	No	No
	"I feel very strongly that you ought to pay somebody their worth and for their effort"	Yes	No

Table 7. Description of overall support for adoption of the RLW amongst interview participants, illustrated by quotes, and whether all employees are paid the RLW

Amongst non-RLW employers there were those who supported it and would like to pay it but perceived they were not able to (mostly owing to financial reasons), and those who didn't feel it was a priority for them as an employer. For example, some felt it was important to contextualise wage rates within the broader needs of Penzance residents and their current socio-economic context. One non-RLW employer in the hospitality industry elaborated that "the national living wage is very important but it's not as simple as that... you have to make sure you can afford to pay someone a good wage in August, but you also have to be able to pay them in February". The challenges of seasonality, and also the risks of fixed hours, were identified as a key priority for employers, and one that impacted on employer's prioritisation of the RLW.

When questioned about the rate of the RLW, RLW employers broadly felt that this was a fair rate, and some felt it represented a bare minimum that employers should seek to pay above the national minimum. However, amongst non-RLW employers there were a broad range of opinions and some felt their wages were already sufficiently high, particularly when other employee benefits were taken into consideration. For example, one non-RLW employer said, "we would support it, and do all we can to support it", however they didn't see the need to pay the rate for all employees primarily due to the provision of other benefits. Additional financial benefits identified by employers included bonuses, which some non-RLW employers said were more suitable for their business model than raising hourly rates as they are flexible around business performance. Non-financial benefits also included training and upskilling opportunities, accommodation and food provision. In particular, those in hospitality mentioned that they provided multiple meals and/or drinks, and one non-RLW employer reasoned that this would equate to an additional £1 an hour at least. Whether setting an increased hourly rate is accurately reflective of the financial and social costs of employment for an employer, and how to take account of other benefits, was raised by many interviewees. One RLW employer asked "what do you do with the

shopkeepers that don't pay a living wage, but do provide accommodation? There's lots of ways to reimburse somebody that doesn't involve cash".

The suitability of the RLW rate for younger staff was also identified as an issue amongst non-RLW employers. Some perceived their younger staff (e.g. under 21s) to be paid incredibly well, for both their age and their level of responsibility and/or workload. Interestingly, one non-RLW employer also said they preferred to adapt their wages to living costs, rather than following rates set by external bodies.

Of the RLW employers (n=7), only 29% (n=2) had become accredited with the RLW Foundation (Table 7). The primary reason for this low rate of uptake appeared to be lack of awareness of the scheme, as only one RLW employer who wasn't accredited appeared to have knowledge about the national foundation. When asked why they had not become accredited, this employer explained "I am not intentionally independent, I just haven't sort of signed up to...that's not a conscious decision". During interviews, many RLW employers did express interest in accrediting with the foundation. One RLW employer summarised this by saying, "I should do that, not to sort of give myself a pat on the back. But to just show good practice". Of those that were aware of the RLW scheme, two had heard about it through local government and another had been told about it by a member of staff. When asked about why they had become accredited, reasons included promotion of the scheme in general and as a way of validating their commitment to staff. One RLW-accredited employer explained "we were already paying the living wage, so it was a simple thing to do".

When questioned about the potential role of stakeholders in facilitating adoption of the RLW, there were some suggestions that businesses may be discouraged if local government was heavily involved. This was owing to feelings of distrust and a sense that local government may be overstepping their role and/or be seen to be passing judgement on employers. Some suggested this may be ameliorated if financial

incentives, e.g. a reduction in business rates, were offered in conjunction with adoption of the scheme. One RLW employer stated, “I think that there's a lot of people who actually pay the living wage, who won't have anything to do with the local government schemes to promote it in any way”. There were suggestions that adoption of the scheme should be led by a broader lay group comprised of local businesses and residents, to encourage feelings of ownership.

Some employers did identify a key role for local government in communicating the nature of the scheme and potential benefits, e.g. through marketing and awareness campaigns. One RLW employer argued that illustrating the personal impacts of wage levels would help to make the case, explaining “trying to bring to life a bunch of numbers... doesn't [create] a story of what it [the RLW scheme] could be”. One RLW accredited employer explained that there needs to be more marketing and awareness as people “probably know about the living wage but they don't know about being able to sign up for the foundation and all that kind of stuff”.

## MOTIVATIONS FOR EMPLOYERS TO PAY THE RLW

When identifying the reasons for paying the RLW, there was a strong sense of moral obligation for many employers. One RLW employer summarised this by saying, “if I can afford to do it, then that's what I do”, and another stated “I feel very strongly that you ought to pay somebody their worth”. Some people viewed the government regulations (e.g. the NLW) as the absolute minimum, and that if employers can pay above it then they should do for ethical reasons. One RLW employer elaborated saying, “now, we have these stats [government wage rates] and we know there's a certain amount of money you need to exist, I just can't believe that anyone would pay less”. Further, some felt it was important as they perceived it difficult for employees to survive on less, particularly within the context of rising living costs.

The idea of paying on or above the RLW to improve relationships with employees was identified as a key motivator. Many felt that being paid the RLW improved

employee satisfaction and motivation due to being fairly compensated. Two RLW employers summarised this by saying, “one of the relationships between the employer and the employee is a financial one, if you're offering somebody a minimum amount of money, then you should expect a minimum amount of effort” and “money isn't the only motivational factor in a job but it certainly helps with the feeling of self-worth”. Links were made between employee productivity and higher wages, summarised by one RLW who said, “the thing for me is that productivity and pay are linked together... they're particularly diligent to what they do, because they know they get a good pay”. In addition, employers perceived paying above the RLW helped staff retention, consequently reducing staff recruitment and training costs. This was particularly important to employers in hospitality businesses, who explained that retaining good staff on lower than the RLW was extremely difficult and, therefore, it was economical to pay above the RLW.

Being associated with paying the RLW was thought to improve the profitability of businesses for some, through improved customer reputation, which some employers linked explicitly with being able to charge higher prices. For example, one RLW employer stated “when I talk to my customers, and I say that we pay a living wage...they don't mind [about the cost of services] as they come and they see my staff turn up and work really hard”. Another RLW-accredited employer stated, “it's good doing it through the foundation as it sort of helps to promote it”. This idea about becoming accredited to improve branding and consumer image of a business was echoed by several RLW employers who currently weren't accredited. One non-RLW employer, told us that “if we set ourselves up as a real living wage employer, then yes, it makes us more attractive”. Some employers also suggested that increasing visibility of the RLW brand across Penzance, and displaying branding, might act as a positive challenge for other employers who currently don't pay the RLW. One employer felt that this was important as they believed more employers could afford to do so, but were choosing not to, questioning “I think you've got to be careful with them saying that they can't afford it [an increase to the RLW for all staff]. They probably can afford it”.

## BARRIERS AND CHALLENGES FOR EMPLOYERS

Multiple barriers to adopting RLW rates for all employees were identified by employers, with commonly identified reasons mostly associated with affordability. The particular business model, including their profitability and sources of funding, was raised as a key issue affecting affordability. One non-RLW business, which partially relies on charitable fundraising and government grants, explained that “if we were to pay the living wage for all cafe employees ... it would push us into a net loss-making position”. Some employers also explained that the knock-on effect of raising the lowest wages in their organisational structure would mean the need to considerably raise other wages higher up in their hierarchical structures, something they felt they couldn't afford. Affordability was also connected to broader, national-level factors, such as regulations and funding received from government. For example, one interviewee told us “we would like to be able to pay more, but a lot of that is relating to the lack of funding”. Some RLW employers also explained that they hadn't always paid the RLW due to not being able to afford it at all stages of their business's evolution. For example, one RLW employer in retail explained they couldn't pay it at the beginning due to affordability but have switched to paying it as soon as they could. This led some to speculate whether broad-scale application of the rate in Penzance would be suitable, due to the presence of a large number of independent businesses that are in their early stages of development. One RLW accredited employer shared these concerns about suitability for all businesses across Penzance saying, “I want the pressure to be on the larger employers, not on the struggling small shop owners”.

Unique barriers to paying the RLW for Penzance employers were identified; these were mostly related to the reliance on tourism and the seasonal fluctuations this creates in Penzance's economy. Non-RLW employers identified providing year-round employment as a more important priority for them and explained that paying staff during quieter times (e.g. the winter) meant they couldn't afford to raise wages year-round. The prevalence

of younger workers throughout the town's hospitality and retail sectors was also repeatedly identified as a key barrier to adoption of the RLW, as the rate is applicable to all staff over 18. This is in contrast to government rates (e.g. the NLW) which only apply for those who are 23 and over. Non-RLW employers within these sectors explained that adoption of the scheme would dramatically increase wage bills and jeopardise their profitability due to their staff demographics. One hospitality owner explained the RLW to be financially unfeasible for them, stating “I just couldn't financially I couldn't work out a way to do it because I have got a lot of young employees”, despite supporting the scheme overall stating “it's certainly an aspiration”.

Issues of timing, and the impact of the COVID-19 pandemic, were identified by employers, particularly those within the hospitality and retail sectors that have been hit hard by restrictions on movement. One hospitality employer explicitly stated this as a reason for not being able to pay the RLW at the moment saying, “we couldn't make a rock-solid commitment to it at the moment”.

## ATTITUDES TOWARDS PENZANCE BECOMING A ‘LIVING WAGE TOWN’

Amongst employers, there were a broad range of opinions voiced as to whether adopting the Living Wage place scheme was suitable for Penzance.

In discussing whether a broad increase in wages to the RLW would improve the working lives of residents, some employers strongly felt that reducing seasonality and zero-hour contracts was more important and that recognising and valuing employers that offer year-round employment on stable contracts should be a key focus. One RLW employer suggested it was more important to “have somebody maybe not pay the real living wage but paying [a wage] all year round”. When discussing concerns about rising living costs in the area, e.g. accommodation costs, some felt this meant the scheme was more needed now than ever, whereas others felt that stakeholders' efforts would be better prioritised elsewhere. Talking

about housing, and the increased prevalence of short-term holiday lets, one retail employer stated, “I think any money spent on that [accommodation and housing] would be better spent than promoting the national living wage”. Conversely, these rising costs were used as a key motivating factor for adoption of the scheme across Penzance. For example, one employer (RLW) commented “there are very few places available to rent and rent prices have gone through the roof. I think it's more important than ever that people pay the living wage”. Interestingly, when considering the potential impact of the RLW, employers explained that this might depend on sociodemographic factors, such as employee age, partly due to the likelihood that older employees would be increasingly likely to be affected by rising costs, e.g. for accommodation. Therefore, there was a sense amongst some employers that the scheme might have a more substantial impact on mainly younger people in Penzance.

The impact of COVID-19 and Brexit were both discussed in relation to the potential impact of the RLW by employers. For some, they felt that timing was opportune to implement the scheme, as COVID-19 had driven a shift in population demographics, with the increased popularity of Penzance, particularly for those working from home in well-paid jobs. This potentially positive effect of COVID was described by one employer, who said “access to remote working will allow locals to earn more money to afford homes in the area as well as allow them to use their qualifications”. One RLW employer further stated, “there's people coming here from all over the country that can now work on a London salary and live wherever they want in the UK... and I think it [the RLW scheme] makes perfect sense”. This employer further elaborated that it would be ideal to capitalise on this by raising awareness of employers that paid the RLW. Various ideas were proposed around the need for marketing and branding to encourage employers to sign up, e.g. a ‘directory’ of those that did pay the RLW and branding for shop windows.

In contrast, there was a sense, particularly amongst retail and hospitality employers that events such as COVID-19 and Brexit have reduced the potential scale of the impact

of the RLW. Some explained that there had been dramatic increases in wages amongst lower paid jobs, which they attributed to a shortage of labour. One RLW employer commented “to be honest with you this living wage thing at the minute, most employers I know are paying good money now, you know, because there's a shortage of labour”. Another RLW employer further stated, “there is such a shortage of people that want to work in hospitality at the moment”. Examples given by employers included increases from £9 to £11 for restaurant staff, and a £20 hourly starting rate for cleaning jobs.

Overall, some employers were hopeful that becoming a ‘Living Wage Town’ might improve the employment market and reduce the need for people to work multiple jobs. Some thought it would encourage young people to stay within the town, and to view jobs within lower paid sectors (e.g. hospitality) as career opportunities, rather than seasonal work. One RLW employer stated, “I think it [paying the RLW] would help the situation at the moment where, you know, a lot of young people leave Penzance”. Some more broadly associated it with an improved image for Penzance overall, and identified the positive impact of other schemes such as ‘Plastic free Penzance’. One employer summarised this by saying “Penzance like other places in Cornwall has a reputation for low wages, so if this is a modest attempt to change that very slightly, then it is a really good thing”.

Employers raised the need to tailor the scheme to Penzance and the composition of its business environment. One employer said, “Penzance is, I think, quite a unique town in terms of the diversity of businesses, and it is now predominantly independent businesses and very few nationals”. There were some concerns related to this, that younger and independent businesses may be less able to afford the wage increases. One survey participant said there are, “lots of small businesses that may not be able to afford increased wages”. This wasn't identified as a definitive barrier by participants, but there was a sense that introducing the scheme would need to be sensitive to the needs of all businesses across Penzance.

# DISCUSSION





# DISCUSSION

Study findings suggest that low pay may be an increasingly important issue for Penzance, particularly within the context of rising living costs for residents. Secondary data suggests that the proportion of jobs paid below the RLW is increasing within Penzance and is much higher (30% for the St Ives constituency) than the national (UK) average (17%) (Richardson, 2021). Determining the exact reasons for this is beyond the scope of this report, and data should be carefully interpreted, particularly against the backdrop of the effects of COVID-19. However, wider secondary data (e.g. Income and Employment Deprivation Domains taken from ONS, 2021) indicates that some small areas in Penzance are frequently scored amongst the 20% most deprived areas nationally. Further, this data highlights the high degree of spatial heterogeneity across the area, with some areas consistently being in the least or most favoured areas for income and welfare.

The research findings highlight that concerns about low pay should be contextualised within the wider picture of rising living costs, which was a primary concern amongst participants. In particular, concerns about accommodation and housing were prominent amongst participants and are supported by findings from secondary data. In September 2021, the average house price in Cornwall was £270,079, an increase of 23% from April 2019, partially due to state policies and a change in lifestyle aspirations stimulated by COVID-19. In contrast, since April 2019 the government-set NLW has increased by only 15.7% and the RLW rate by 10%. Evidently, rises in living costs are outpacing wages and the exact impact of this remains unclear for Penzance. It is anticipated that this will be felt most keenly by residents yet to get on the property ladder, e.g. younger people and those struggling to save. Accordingly, a high proportion of survey participants disagreed that house ownership was a realistic prospect.

This wider picture has important implications not only for considering the potential impact of an uplift to the RLW (equivalent to only £0.40 an hour from April 2022) but also for wider social cohesion and a sense of justice across the community. Relatedly, the attractiveness and viability of Penzance for younger people was raised as a concern by both interview and survey participants. Even if wages were to increase to the RLW, data suggest that concerns relating to barriers to home ownership (and likely renting) will remain.

In considering potential improvements to employment and income, residents primarily raised concerns about rates of pay, diversity of available jobs, seasonality and contract type. There was a sense that it can be difficult to find a job that pays enough in Penzance and there is a paucity of jobs to fit skills levels and income aspirations. However, there appeared to be relatively high employee satisfaction with participants mostly indicating they felt valued and secure and that they wished to progress further within their existing roles and undertake additional training. Despite being relatively happy within existing roles there were concerns about how wages may meet rising costs and 40% were concerned about meeting household bills (including those paid above as well as paid below the RLW). Guaranteed hours and the issue of seasonality were also discussed as key issues. The potential benefits of introducing the choice of at least a 16-hour minimum working week were recommended by a recent citizens panel in Penzance (Barker, 2019). Our results show that fixed hours remain a key concern for Penzance, and reaffirm that other work-related factors, such as guaranteed hours and sick leave, are becoming an increasing concern for workers alongside wage rates (Bennett, 2014).

Study results indicate a high level of diversity in sociodemographic characteristics of participants not paid the RLW. This suggests that residents within low paying jobs cannot be characterised by certain demographics within Penzance and, in turn, indicates the potentially broad impact of an uplift to the RLW across society. Similarly, despite most non-RLW jobs in the UK being primarily within accommodation and food services (Richardson, 2021), our data indicated a spread of low paid jobs across many sectors and suggested the issue of low pay is not endemic to particular sectors in Penzance. Secondary data also highlights a further potential contrast in the composition of the low paid jobs within Penzance and the wider constituency areas of St Ives when compared to the national picture. A higher proportion of people in full-time jobs (30%) appear to be paid below the RLW than those in part-time jobs (23%), which is in direct contrast to the national picture (where 33% of part-time jobs are paid below the RLW, compared with 11% of full-time jobs). The diversity in composition of the low paid labour market could reflect the paucity of available opportunities for residents to work at their desired skill and pay level. Survey participants paid below the RLW agreed that an uplift in their wages would improve both their financial situation and mental wellbeing.

An important current consideration when interpreting changes in employment and income within Penzance is COVID-19, with a quarter of survey participants indicating that they have lost a job or have had their hours reduced. During COVID-19, unemployment increased most dramatically in sectors such as hospitality and retail (Richardson, 2021), both of which are significant in Penzance. Additionally, young people and those aged 65+ were most likely to have left employment (Powell

and Francis-Devine, 2021), so it is anticipated that the impact may have been greater across Penzance due to a proportionally high number of younger people working in sectors associated with tourism and hospitality. Our findings concerning the potential effect of COVID-19 on residents of Penzance engaged in seasonal and temporary employment reaffirms the effect that it has had in exposing sharp differences in the wellbeing and living standards of the population in different parts of the country (Martin et al., 2020).

Our study results clearly showed that participants paid below the RLW agree that an uplift in their wages would improve both their financial situation and mental wellbeing. Further, there was an interest and appetite for an uplift to the RLW from the wider survey, with participants mostly agreeing that it would improve the reputation of Penzance, the economic status of residents and reflect the dedication of stakeholders to improving societal conditions. Similarly, support was high amongst employers included in the study. This support is key, as due to its voluntary nature, the future success of Penzance as a 'Living Wage Town' would be reliant on popularity and appetite amongst employers (Heery et al., 2017b). The study found that those that had been accredited tended to associate it with some form of improvement to their reputation as a business, and some associated it with increased profits. However, for those paying the RLW (including those not accredited) the key motivation appeared to be associated with moral and civic responsibilities, including notions of fairness and social justice. These findings corroborate previous studies that identified key motivations for paying the RLW to include responsibility and care for employees, improving quality and performance of the business through retention of highly skilled and experienced staff (Werner, 2021) and

improved customer reputation through displaying a sign of good business ethics (Johnson et al., 2019). Further, study results supported evidence that awareness of inequality is growing amongst society (Friedman et al., 2019). Accordingly, some employers had adopted the RLW rate as a way of challenging other businesses in the area to pay more, particularly as they felt that income inequality was growing within particular sectors in Penzance, such as care work.

Interestingly, despite evident support for the RLW, this had not translated into broad adoption of either the RLW rate or the accreditation process. Key identified barriers were a lack of awareness and knowledge of the scheme, as well as concerns about affordability. Affordability concerns were particularly prominent in employers in charitable organisations, or those that relied heavily on state funding. In addition, employers with a relatively high proportion of young employees explained they felt it would be uneconomical for their business due to the substantial required uplift for workers under 23 years. Currently, the RLW is not stratified by age group, with all over 18s receiving the rate, as opposed to the NLW, which only applies to those over 23. Some sectors including hospitality and retail rely disproportionately on young workers, particularly for seasonal positions. Therefore, there would be a greater financial cost for these businesses in uplifting all wages. These findings corroborate those of a 2019 citizens panel in Penzance, whose members expressed concern about the disproportionate impact that a blanket imposition of the living wage would have on smaller businesses, particularly those who relied on seasonal employment of younger workers (Barker, 2019). A phased introduction, that targeted larger businesses first, may help to mitigate some of these impacts. Other concerns about the financial

viability of a blanket imposition included the need to proportionately raise wages across employees. This would be needed to avoid reducing the financial advantage for more senior members of staff who might be more likely to be experiencing financial hardship owing to rising living costs than their younger colleagues.

Consequently, to improve uptake amongst employers and ensure support for Penzance becoming a 'Living Wage Town', there is an identified need to identify and disseminate potential motivations in becoming accredited (Werner, 2021). Further, we identified the importance of ensuring that plans for Penzance to become a 'Living Wage Town' are clearly rooted in local stewardship and civil action. Employers expressed their potential dislike of being dictated to about wages by local authorities, and wanted the movement to be a grassroots development, with some wanting it to be akin to other successful campaigns such as Plastic free Penzance. This was potentially a reflection of support for community action and a strong sense of community.

Overall, our study has exposed the extent to which low pay is a growing problem in Penzance. Accordingly, there is evidence that a third of the workforce is paid less than the RLW, and that residents may struggle to find a job that pays enough to allow them to not worry about household costs, particularly within the context of rising living costs. We found support for the idea of the RLW amongst residents and employers and there is scope for a living wage action group to widen adoption and encourage accreditation. However, our study also highlights the particular challenges faced by some employers that employ significant numbers of young people, as well the need to continue addressing seasonality and temporary contracts.

Moving forward, action taken to adopt the scheme should capitalise on existing community action and spirit. Future efforts would be best fostered by a Living Wage action group that represents diverse business and community interests, particularly focusing on the small businesses that are so important to the local economy. Doing so would enhance the likelihood of Penzance successfully becoming an officially accredited Living Wage Town, helping to put Penzance on the map and reflecting the strong civil society and community spirit that already exists.



## REFERENCES

- Barker, G. (2019). Penzance citizens panel: core report setting out policy recommendations. Available at; <https://cornwallindependentpovertyforum.com/our-projects/penzance-citizens-panel/>
- Beer, A., McKenzie, F., Blažek, J., Sotarauta, M., and Ayres, S. (2020). *Every Place Matters: Towards Effective Place-Based Policy*. London: Routledge doi:10.4324/9781003110118.
- Bennett, F. (2014). The “living wage”, low pay and in work poverty: Rethinking the relationships. *Crit. Soc. Policy* 34, 46–65. doi:10.1177/0261018313481564.
- Cornwall Council (2021a). Housing in Cornwall 2021: House Prices and Affordability House Prices and Affordability. Available at: [https://www.cornwall.gov.uk/media/gicmsrnh/houseprices\\_affordability\\_2021.pdf](https://www.cornwall.gov.uk/media/gicmsrnh/houseprices_affordability_2021.pdf) [Accessed February 14, 2022].
- Cornwall Council (2021b). Penzance Economic Profile. Available at: <https://www.cornwall.gov.uk/media/jenbps0i/penzance-town-profile.pdf> [Accessed February 4, 2022].
- D’Arcy, C. (2018). Low Pay Britain 2018 . Available at: <https://www.resolutionfoundation.org/publications/low-pay-britain-2018/> [Accessed February 3, 2022].
- Department for Business, Energy & Industrial Strategy (2022). Fuel poverty sub-regional statistics. Available at: <https://www.gov.uk/government/collections/fuel-poverty-sub-regional-statistics>
- Dickens, R., and Manning, A. (2004). Has the national minimum wage reduced UK wage inequality? *J. R. Stat. Soc. Ser. A* (Statistics Soc. 167, 613–626. doi:10.1111/j.1467-985X.2004.AEI2.X.
- Gallent, N., Kelsey, J., and Hamiduddin, I. (2016). Swimming against a Cornish tide? *T. Ctry. Plan.* , 85 pp. 237-240.
- Heery, E., Hann, D., and Nash, D. (2017a). The Living Wage campaign in the UK. *Empl. Relations* 39, 800–814. doi:10.1108/ER-04-2017-0083/FULL/PDF.
- Heery, E., Nash, D., and Hann, D. (2017b). The Living Wage Employer Experience.
- Hirsch, D., and Valadez-Martinez, L. (2017). *The Living Wage*. London: Agenda Publishing.
- Horton, A., and Wills, J. (2018). “Impacts of the living wage on in-work poverty,” in *Handbook on In-Work Poverty* (Edward Elgar Publishing Ltd.), 228–244. doi:10.4337/9781784715632.00020.
- Houston, D. (2020). The unevenness in the local economic impact of COVID-19 presents a serious challenge to the government’s ‘levelling up’ agenda. Available at: <https://blogs.lse.ac.uk/politicsandpolicy/> [Accessed February 11, 2022].
- Innes, D. (2018). The links between low productivity, low pay and in-work poverty. Available at: <https://www.bl.uk/britishlibrary/~media/bl/global/social-welfare/pdfs/non-secure//i/n/links-between-low-productivity-low-pay-in-work-poverty-18.pdf> [Accessed August 26, 2021].
- Johnson, M., Koukiadaki, A., and Grimshaw, D. (2019). The Living Wage in the UK: testing the limits of soft regulation?: <https://doi.org/10.1177/1024258919845768> 25, 319–333. doi:10.1177/1024258919845768.
- Living Wage Foundation (2021). Building Back Better with Living Wage Places Briefing Document. Available at: [https://www.livingwage.org.uk/sites/default/files/Building Back Better with Living Wage Places Briefing Document 2021\\_0\\_0.pdf](https://www.livingwage.org.uk/sites/default/files/Building Back Better with Living Wage Places Briefing Document 2021_0_0.pdf) [Accessed August 9, 2021].
- Living Wage foundation and Living Wage Scotland (2019). Living wage places: a toolkit on tackling low pay by celebration local action.

- Low Pay Commission (2014). The Future Path of the National Minimum Wage - Low Commission. Available at: [www.gov.uk/government/publications](http://www.gov.uk/government/publications) [Accessed February 3, 2022].
- Martin, R., Gardiner, B., Pike, A., Sunley, P., & Tyler, P. (2021). *Levelling Up Left Behind Places: The Scale and Nature of the Economic and Policy Challenge*. Routledge.
- ONS (2021). Index of Multiple Deprivation (IMD) rankings and domains. Available at: <https://www.ons.gov.uk/peoplepopulationandcommunity/populationandmigration/populationestimates/>
- ONS (2022a). Annual Survey of Hours and Earnings (ASHE). Available at: <https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/earningsandworkinghours>
- ONS (2022b). House Price Statistics for Small Areas (HPSSAs). Available at: <https://www.ons.gov.uk/peoplepopulationandcommunity/housing/datasets/>
- Powell, A., and Francis-Devine, B. (2021). Coronavirus: Impact on the labour market. Available at: <https://researchbriefings.files.parliament.uk/documents/CBP-8898/CBP-8898.pdf> [Accessed February 19, 2022].
- Richardson, J. Employee jobs paid below the living wage: 2021. Available at: [https://www.livingwage.org.uk/sites/default/files/LivingWage\\_Employees\\_Below\\_The\\_LivingWage\\_2021.pdf](https://www.livingwage.org.uk/sites/default/files/LivingWage_Employees_Below_The_LivingWage_2021.pdf) [Accessed February 19, 2022].
- Sensier, M., and Devine, F. (2020). Economics Discussion Paper Series Levelling Up Regional Resilience Following the Coronavirus Pandemic.
- Smith Institute, T. (2021). The Living Wage Dividend: maximising the local economic benefits of paying a living wage.
- Turner, R. , Blundell, A., Collins, C., Exeter, O. , and Wills, J. (2021). Sustainable Development in Cornwall: Local Perspectives on Challenges and Opportunities. Available at: <https://www.exeter.ac.uk/esi/research/projects/impact-towardsasustainablecornwall/> [Accessed June 23, 2021].
- Walsh, J. (2000). Organizing the scale of labor regulation in the United States: Service-sector activism in the city. *Environ. Plan. A* 32, 1593–1610. doi:10.1068/a32102.
- Werner, A. (2021). Why do managers of small and medium-sized businesses seek voluntary Living Wage accreditation?—an exploration of choice rationales. *Eur. J. Work Organ. Psychol.* 30, 778–789. doi:10.1080/1359432X.2021.1908417.
- Wills, J. (2008). Making Class Politics Possible: Organizing Contract Cleaners in London. *Int. J. Urban Reg. Res.* 32, 305–323. doi:10.1111/J.1468-2427.2008.00783.X.
- Wills, J. (2009). The Living Wage. *Soundings*. doi:10.4337/9781848445161.
- Wills, J., Datta, K., Evans, Y., Herbert, J., May, J., and McIlwaine, C. (2009). Religion at work: the role of faith-based organizations in the London living wage campaign. *Cambridge J. Reg. Econ. Soc.* 2, 443–461. doi:10.1093/CJRES/RSP016.
- Wills, J., and Linneker, B. (2012). The costs and benefits of the London living wage. Available at: <http://www.geog.qmul.ac.uk/> [Accessed February 23, 2021].
- Wills, J., and Linneker, B. (2014). In-work poverty and the living wage in the United Kingdom: a geographical perspective. *Trans. Inst. Br. Geogr.* 39, 182–194. doi:10.1111/

# APPENDICES

## APPENDIX 1. RESEARCH ENGAGEMENT PROFILE SURVEY ENGAGEMENT

Overall, 114 responses were received from residents in Penzance. Amongst participants, 81% (n=92) were employed, 11% (n=13) were self-employed, 5% (n=6) were not in paid work (or off sick) and 3% (n=3) were in full-time study.

Other was the most frequently (24%, n=27) chosen category with mentioned positions including the civil service, marketing, armed forces, cleaning and education. 'Professional, scientific and technical' and wholesale and retail trade were chosen by 15% (n=17) and 12% (n=14) of participants. Administrative and support (11%, n=12) and accommodation and food (6%, n=7) were also key sectors of employment.

Penzance (and the surrounding area) was the most frequently (66%, n=75) option for place of work, with 18% (n=20) of workers working in the wider Cornwall area. Of those that responded, 11% (n=13) indicated that they work remotely, at home, for their position, although working from home due to COVID-19 was mentioned by survey participants. The other category encompassed individuals working globally (armed forces) and across the wider UK.

Most (65%, n=74) participants were in permanent employment, with the second largest contract type being self-employed (10%, n=11). Overall, 10 participants (8%) were in casual employment, and 10 (8%) were also on fixed-term or seasonal contracts. Fixed-term contracts averaged 27 months ( $\pm 18$ ) in duration, ranging from 6 to 60 months, and one participant stipulated 'term-time' only.

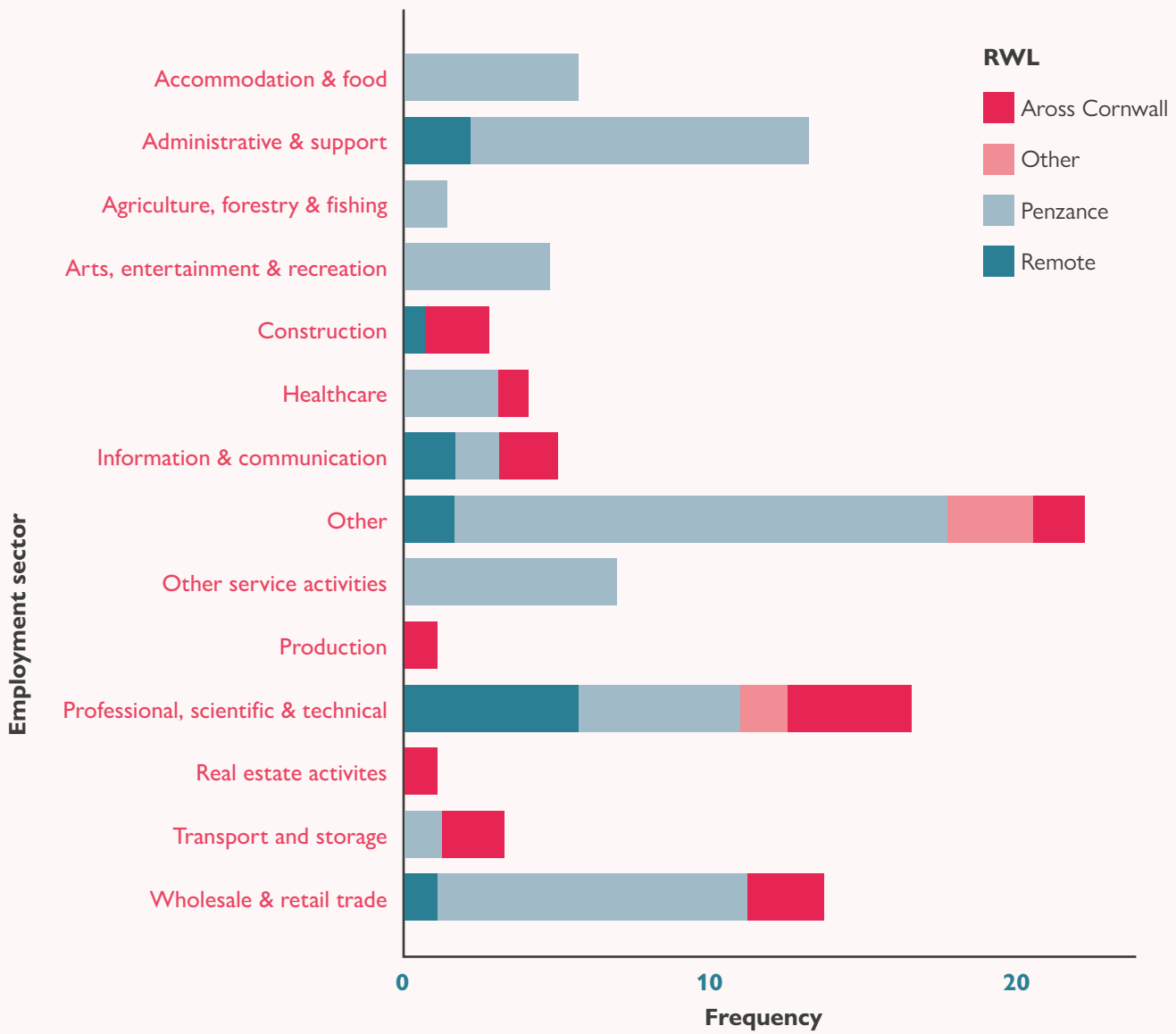
Amongst participants, the maximum employment duration was 31 years and the minimum was 1 month, with an average employment duration of 6.5 years ( $\pm 93$ ).

Most (69%, n=79) participants had fixed weekly hours, and of the 25% (n=28) who stated they had no fixed weekly hours, 36% (n=10) were on casual or fixed term/seasonal contracts. Most (91%, n=10) self-employed participants also stated they had no fixed hours. For those who reported having fixed hours, the average hours per week was  $30 \pm 10$ , and ranged from 12 to 50.

Participants were split broadly and relatively even for key socio-demographic characteristics, including age, gender and living status. The majority of participants (51%, n=58) lived in property they owned, with 7% (n=8) renting from a housing association, 18% (n=21) renting privately and 16% (n=18) living with family and friends. The majority (70%, n=80) of participants were female, compared with 21% (n=24) who were male, and 9% (n=13) who preferred not to say or didn't answer. The age of participants was split broadly across the age groups, 9% (n=10) were aged 18-25, 24% (n=27) were 26-35, 13% (n=15) were 36-45, 21% (n=24) were 46-55, 24% (n=27) were 56-65 and 4% (n=4) were 66+.

For the 47 participants who were paid hourly, average pay was  $\pounds 13.76 \pm 10.11$ , ranging from  $\pounds 4.30$  to  $\pounds 56$ . For those who gave monthly (n=14) or annual pay (n=39), monthly average pay was  $\pounds 1,058.40 \pm 499.39$ , ranging from  $\pounds 468$  to  $\pounds 1,986$ , and annual pay averaged  $\pounds 32,205.97 \pm 24,422.77$  ranging from  $\pounds 10,800$  to  $\pounds 160,000$ .





## EMPLOYER ENGAGEMENT

Overall, 12 semi-structured interviews were conducted with employers within the Penzance area.

Employment sector	Pay the RLW?	Accredited	Accredited
Service	Yes	Yes	2 full-time employees, 3 part-time employees
	No	No	~1,400 employees, 150 full-time
	Yes	No	5 full-time employees
Hospitality	Yes	No	3 full-time employees, all year round
	No	No	3 full-time employees, additional seasonal staff
	No	No	16 employees, mostly seasonal
Charitable organisations	No	No	9 full-time employees, 21 part-time employees
	No	No	4 full-time employees, 2 additional seasonal staff
Retailers	Yes	No	4 full-time employees, all year round
	Yes	Yes	5 full-time employees
	No	No	5/6 full-time employees, all year round
	Yes	No	2 full-time employees, all year round



