

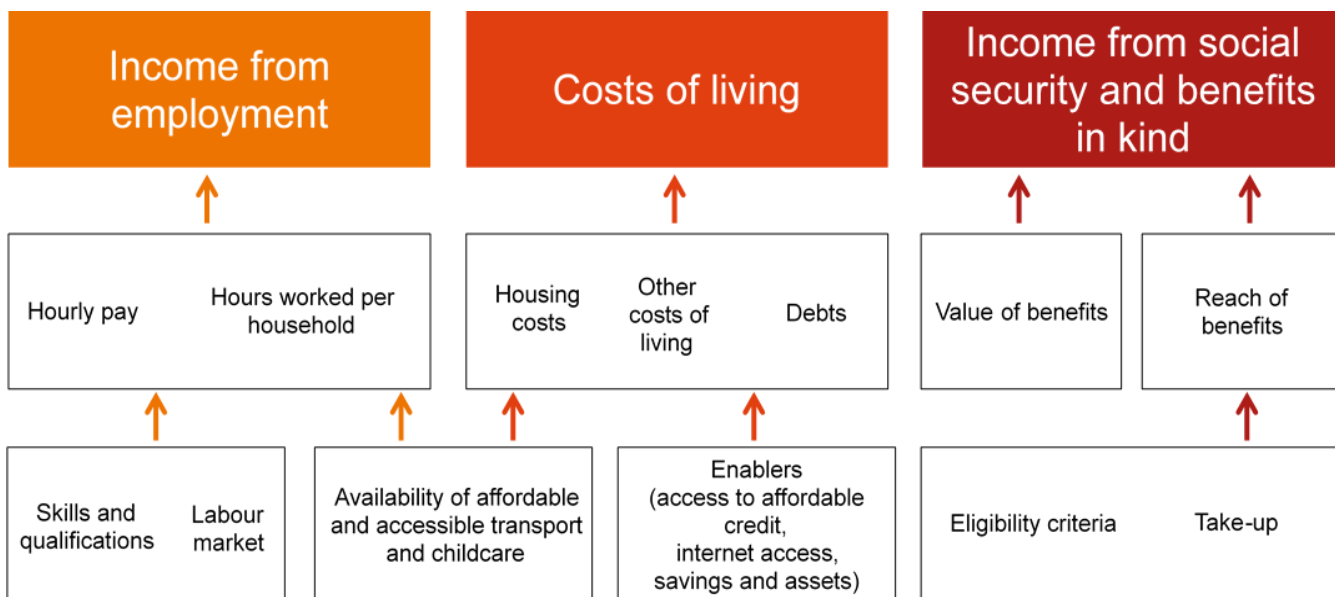


Every child, every chance

Tackling Child Poverty
Third year progress report 2020-21
Annex A



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The drivers of poverty are summarised in the diagram above.

The 23 indicators in the Child Poverty Measurement Framework are intended to monitor these drivers of poverty. They form part of a wider [monitoring and evaluation strategy](#).

This annex sets out the trends over time for each of the Child Poverty Measurement framework indicators. Note that available data at the time of publication precedes COVID-19.

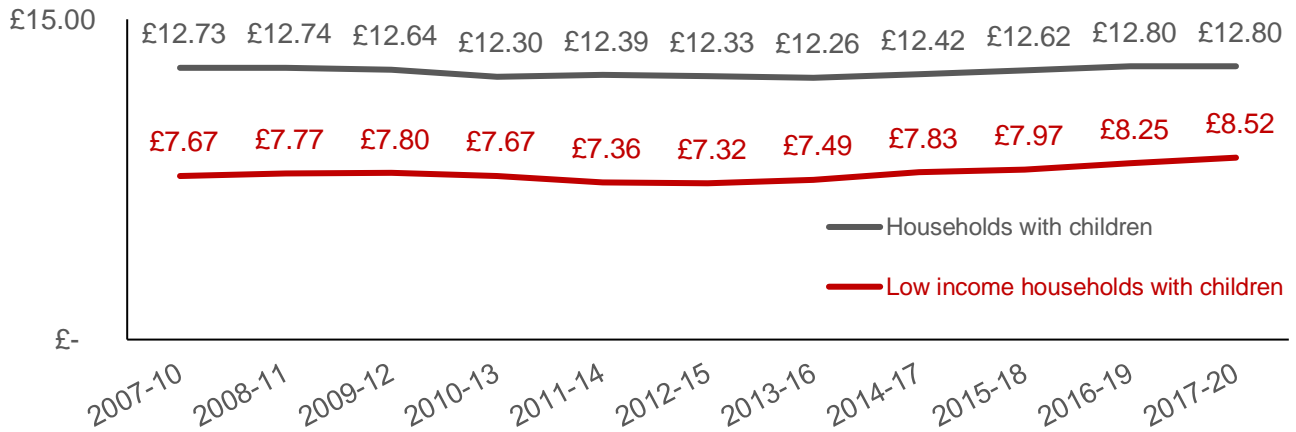
The document specifies which of the four child poverty targets each indicator influences:

Relative poverty
Absolute poverty
Low income + material deprivation
Persistent poverty

Driver: Hourly pay

Indicator 1: Hourly pay

Average hourly earnings, in 2019/20 prices, of low income households (bottom three income deciles) with children where at least one adult is in employment (Source: Family Resources Survey) (figures for all households with children are also provided for context)



How this indicator relates to the child poverty targets:

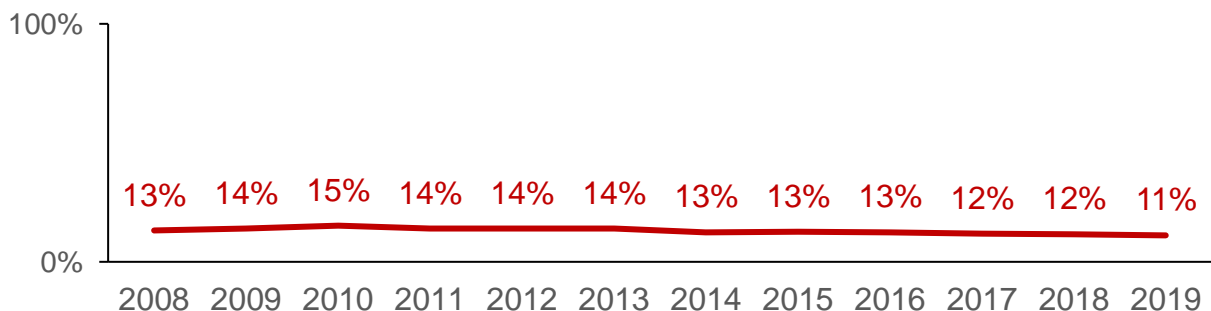
Hourly pay is a direct driver of income from employment, and therefore influences all four targets. Because poverty is measured at the household level, the hourly pay indicator monitors the average hourly pay per household rather than per parent. Earnings for all years are presented in 2019/20 prices, in order to adjust for inflation when looking at trends over time.

Relative poverty	✓
Absolute poverty	✓
Low income + material deprivation	✓
Persistent poverty	✓

Driver: Hours worked

Indicator 2: No paid employment

Percentage of children living in households where no adult is in paid employment (Source: Annual Population Survey)



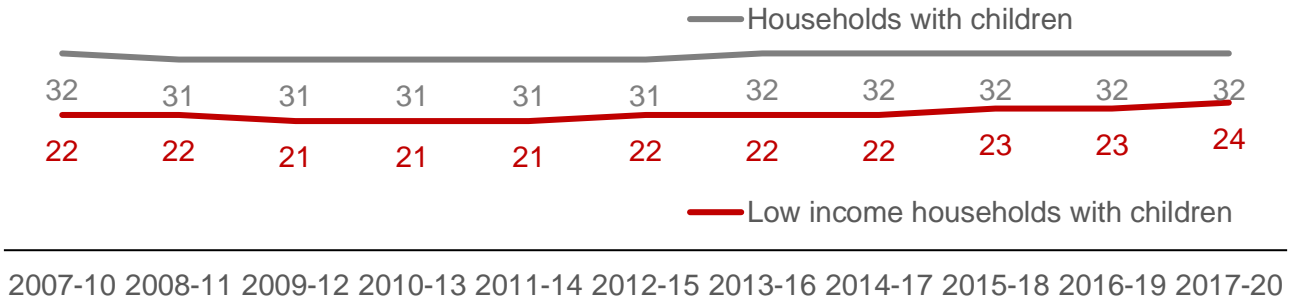
How this indicator relates to the child poverty targets:

Hours worked is a direct driver of income from employment, and therefore influences all four targets. Households with no-one in paid employment are at significantly higher risk of being in poverty.

Relative poverty	✓
Absolute poverty	✓
Low income + material deprivation	✓
Persistent poverty	✓

Indicator 3: Hours worked

Average (median) number of hours of paid employment per working-age adult, in low income households (bottom three income deciles) with children where at least one adult is in employment (Source: Family Resources Survey) (figures for all households with children are also provided for context)



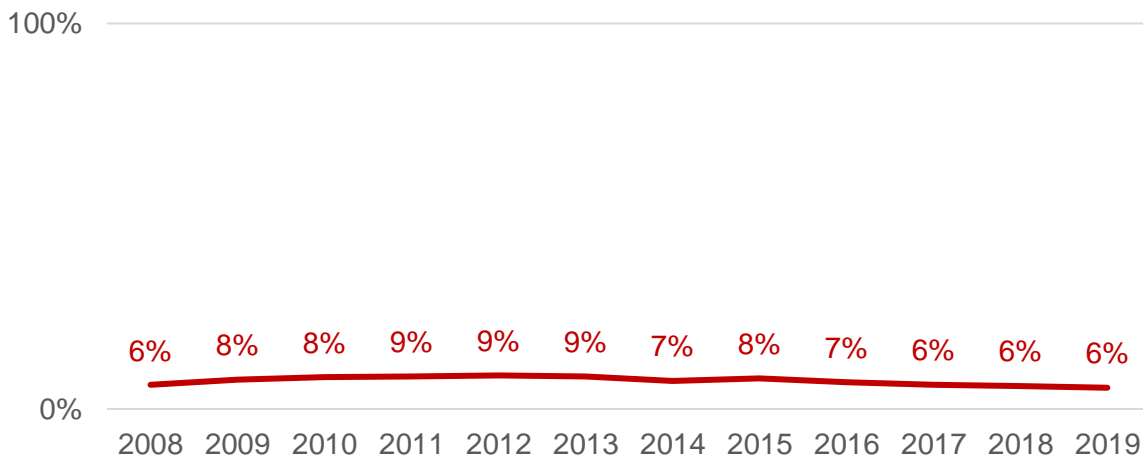
How this indicator relates to the child poverty targets:
Hours worked is a direct driver of income from employment, and therefore influences all four targets. The risk of poverty reduces as the number of hours worked increases.

Relative poverty	✓
Absolute poverty	✓
Low income + material deprivation	✓
Persistent poverty	✓

Driver: Labour market

Indicator 4: Underemployment

Percentage of parents who are in work but would prefer to work more hours for the same rate of pay (Source: Annual Population Survey)

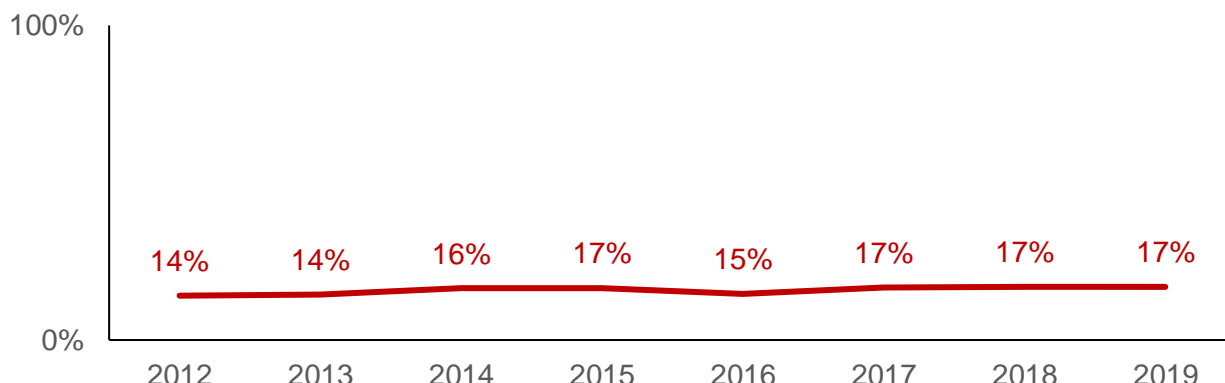


How this indicator relates to the child poverty targets:
The number and type of jobs available in the labour market have an impact on parents' hours worked, through the employment opportunities they have access to.

Relative poverty	✓
Absolute poverty	✓
Low income + material deprivation	✓
Persistent poverty	✓

Indicator 5: Under-utilisation of skills

Percentage of employed working age (16-64) parents with degrees who are in low or medium skilled occupations (Source: Annual Population Survey)



How this indicator relates to the child poverty targets:

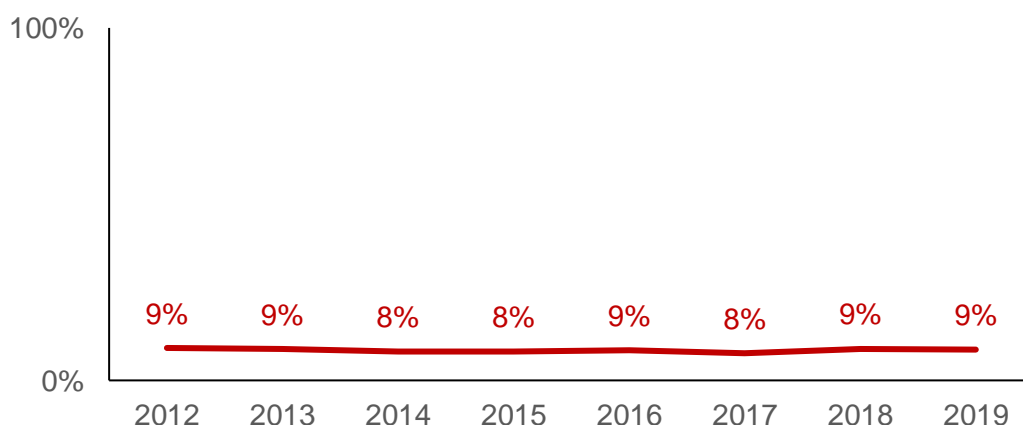
The number and type of jobs available in the labour market have an impact on parents' hourly pay, through the employment opportunities they have access to.

Relative poverty	✓
Absolute poverty	✓
Low income + material deprivation	✓
Persistent poverty	✓

Driver: Skills and qualifications

Indicator 6: Parents' qualifications

Percentage of parents with no or low qualifications (Source: Annual Population Survey)



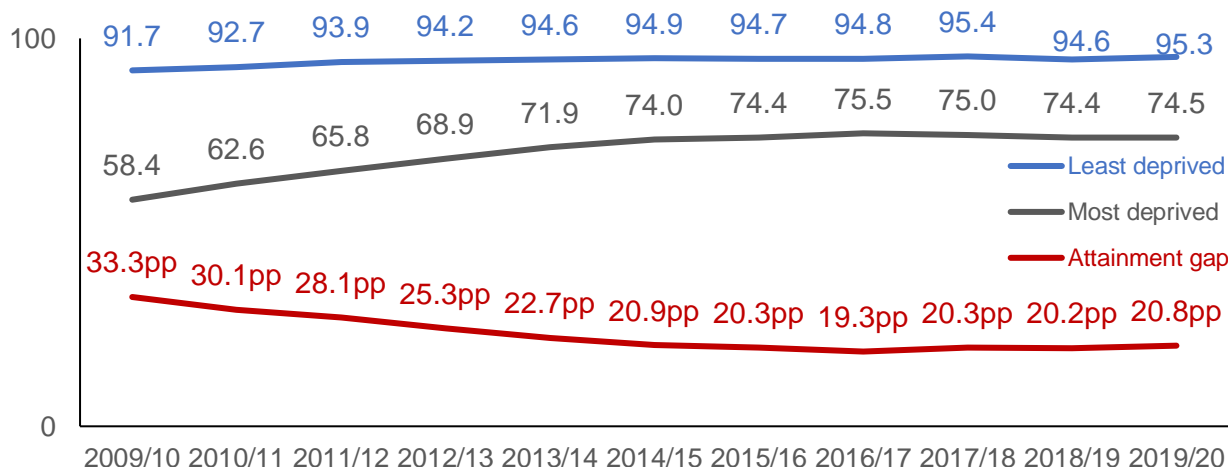
How this indicator relates to the child poverty targets:

People with higher qualifications are much less likely to experience poverty than those with no or lower qualifications. Skills and qualifications affect income from employment in two main ways: the likelihood of getting a job, and how much someone is paid.

Relative poverty	✓
Absolute poverty	✓
Low income + material deprivation	✓
Persistent poverty	✓

Indicator 7: School leavers attainment gap

Percentage points gap between the 20% least deprived Scottish Index of Multiple Deprivation (SIMD) areas and the 20% most deprived areas in the percentage of school leavers who have achieved Scottish Credit and Qualifications Framework Level 5 or better¹ (Source: Scottish Government attainment statistics)



How this indicator relates to the child poverty targets:

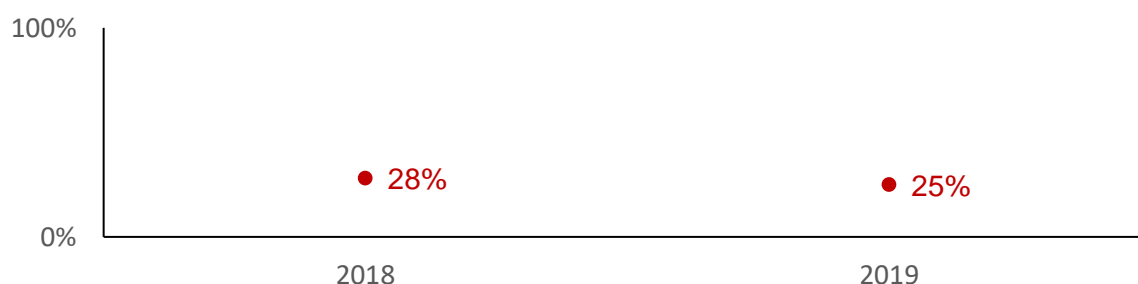
Children growing up in the 20% most deprived areas tend to have lower attainment than those in the 20% least deprived areas – the ‘attainment gap’. Policies to close the attainment gap could impact on all four child poverty targets if they lead to an improvement in work prospects for current children who are old enough to become parents before 2030.

Relative poverty	✓
Absolute poverty	✓
Low income + material deprivation	✓
Persistent poverty	✓

Driver: Availability of affordable and accessible childcare

Indicator 8: Childcare affordability

Percentage of households paying for childcare for a child aged between 0 and 11 that say they find it difficult or very difficult to afford childcare². (Source: Scottish Household Survey)



How this indicator relates to the child poverty targets:

Childcare can be a significant cost for households with children. And a lack of affordable childcare can limit opportunities for paid employment.

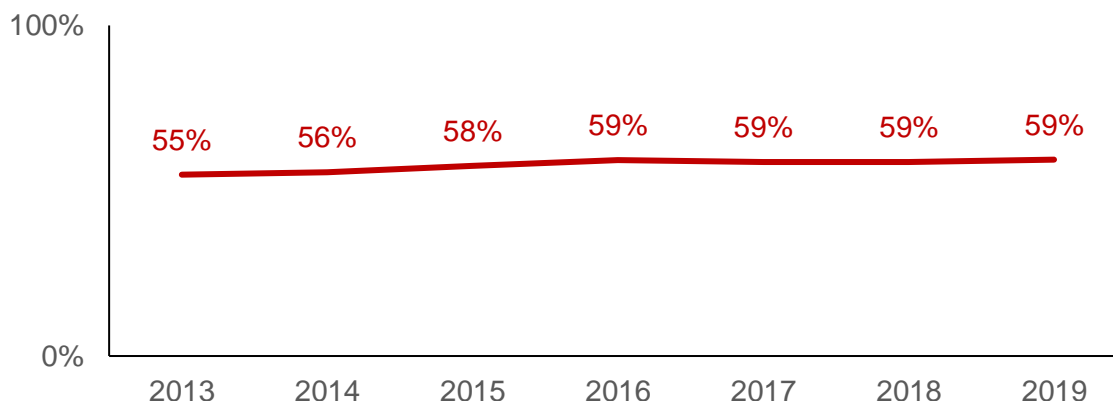
Relative poverty	✓
Absolute poverty	✓
Low income + material deprivation	✓
Persistent poverty	✓

¹ The attainment figures for 2018/19 and 2019/20 school leavers reflect the impact of the change to the assessment approach in 2020 on 2019/20 school leaver attainment. Interpretation must take full account of the different certification methods and change in attainment levels in 2019/20 should not be seen as an indication that performance has improved or worsened without further evidence.

² This shows the affordability of childcare for households with a child aged between 0 and 11 years old and are paying for some type of childcare. It does not include, for example, households who do not pay for additional childcare because they cannot afford it. This information refers to household childcare costs, so the costs may cover multiple children. From 2020, this question will be asked to all households with a child aged 0 to 11.

Indicator 9: Childcare availability in school holidays

Percentage of children’s day care³ places that are in settings that operate during the school holidays
(Source: Care Inspectorate Data)



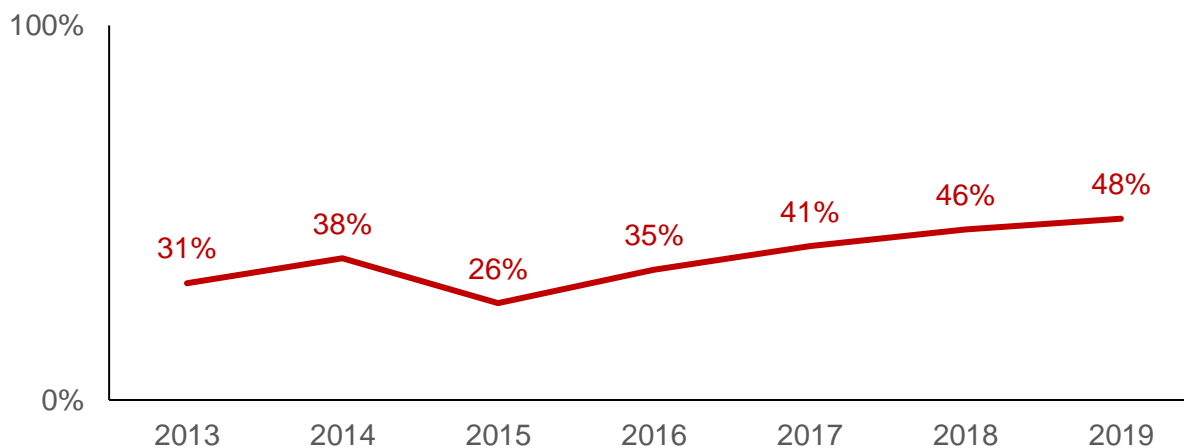
How this indicator relates to the child poverty targets:

A lack of childcare availability during the school holidays can limit opportunities for paid employment.

Relative poverty	✓
Absolute poverty	✓
Low income + material deprivation	✓
Persistent poverty	✓

Indicator 10: Childcare availability outside school hours

Percentage of children’s day care places that are in settings that are open before, during and after school hours
(Source: Care Inspectorate Data)



How this indicator relates to the child poverty targets:

A lack of childcare availability outside school hours can limit opportunities for paid employment.

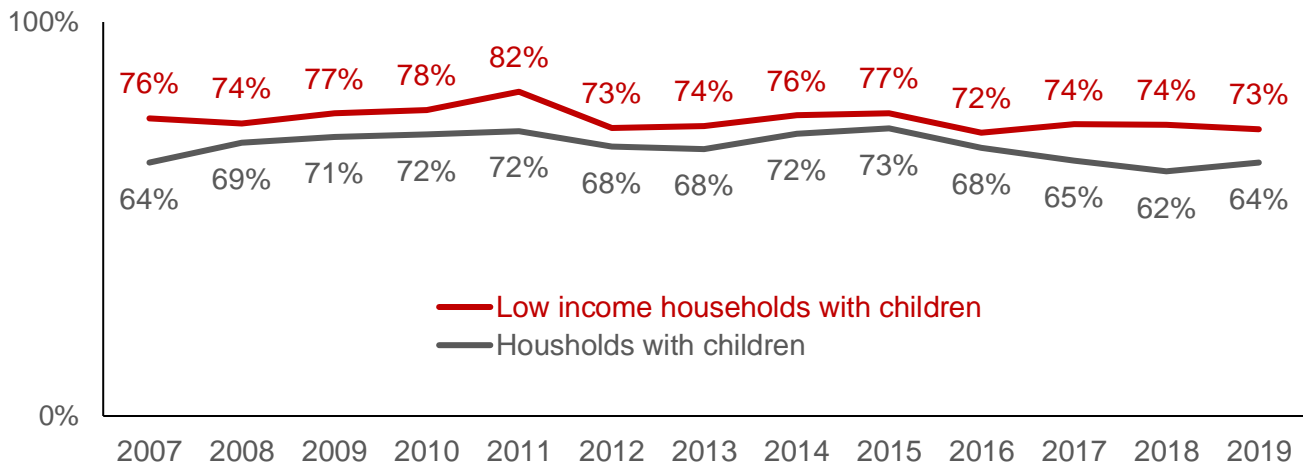
Relative poverty	✓
Absolute poverty	✓
Low income + material deprivation	✓
Persistent poverty	✓

³ Day care is care provided for infants and toddlers, pre-schoolers and school-aged children in a centre-based facility, such as a nursery, playgroup or afterschool club.

Driver: Availability of affordable and accessible transport

Indicator 11: Satisfaction with public transport

Percentage of low income households (bottom three income deciles) with children that are very or fairly satisfied with the quality of public transport (Source: Scottish Household Survey) (figures for all households with children are also provided for context)



How this indicator relates to the child poverty targets:

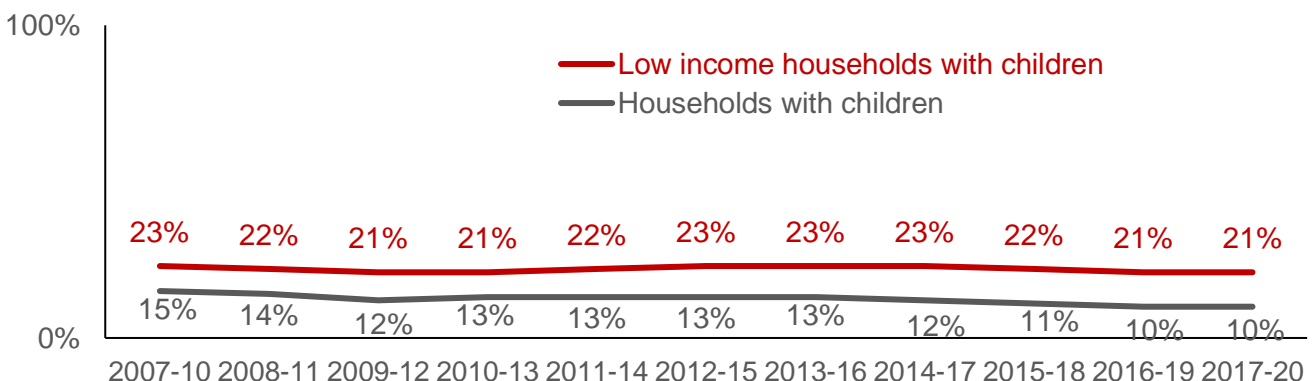
Low income households are much less likely to have access to a car than high income households. Along with affordability, other aspects of public transport, such as limited frequency and timetable constraints, can make it difficult for people without access to a car to co-ordinate work, childcare and other activities, potentially limiting opportunities for paid employment.

Relative poverty	✓
Absolute poverty	✓
Low income + material deprivation	✓
Persistent poverty	✓

Driver: Housing costs

Indicator 12: Housing affordability

Percentage of income spent on housing by low income households (bottom three income deciles) with children (Source: Family Resources Survey) (figures for all households with children are also provided for context)



How this indicator relates to the child poverty targets:

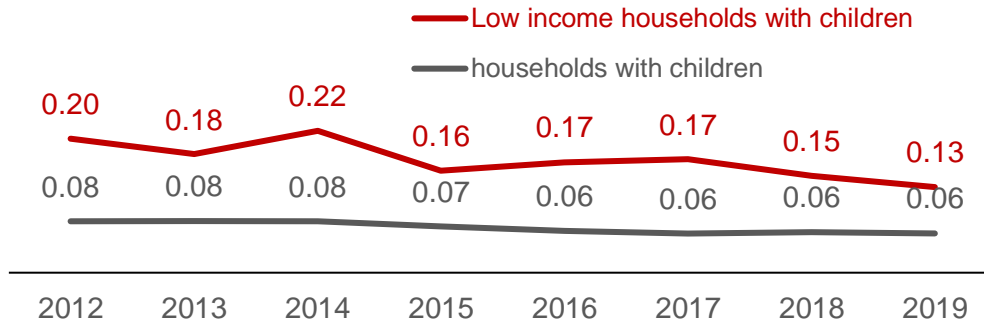
Housing costs are often the largest single cost a household will face, particularly for those on low incomes. All four of the child poverty targets are based on the income that households have left after housing costs have been deducted.

Relative poverty	✓
Absolute poverty	✓
Low income + material deprivation	✓
Persistent poverty	✓

Driver: Other costs of living

Indicator 13: Fuel affordability

Median ratio of fuel running costs to net household income (after housing costs), low income households (bottom three income deciles) with children (Source: Scottish House Condition Survey)⁴



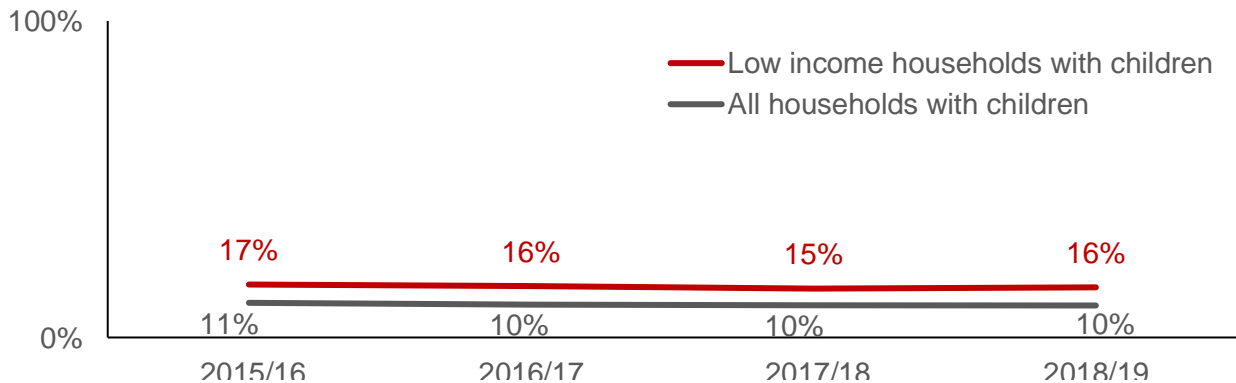
How this indicator relates to the child poverty targets:

Fuel costs are not deducted from income for the purposes of determining whether a household is in income poverty. They do, however, affect the risk of material deprivation, as families spending a greater percentage of their income on fuel will be less likely to afford essential goods and services.

Relative poverty	✓
Absolute poverty	
Low income + material deprivation	
Persistent poverty	

Indicator 14: Food affordability

Percentage of income spent on food and non-alcoholic drinks by low income households (bottom three income deciles) with children (Source: Living Costs and Food Survey) (figures for all households with children are also provided for context)



How this indicator relates to the child poverty targets:

Food costs are not deducted from income for the purposes of determining whether a household is in income poverty. They do, however, affect the risk of material deprivation, as families spending a greater percentage of their income on food will be less likely to afford essential goods and services.

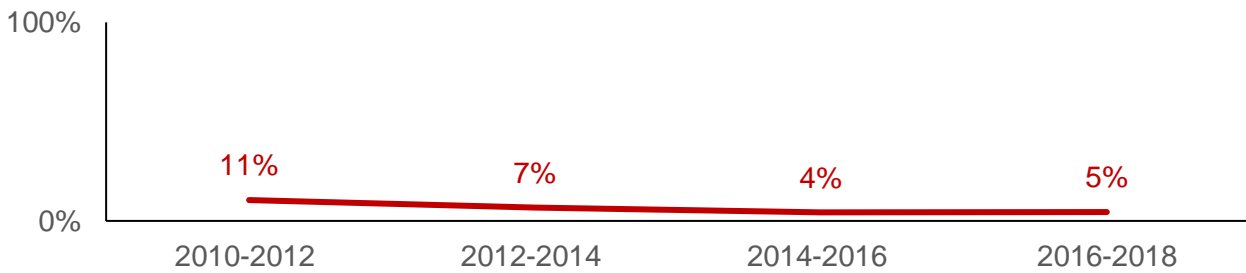
Relative poverty	✓
Absolute poverty	
Low income + material deprivation	
Persistent poverty	

⁴ 1. Fuel running costs are modelled using a theoretical model (BREDEM) which estimates energy requirements from the characteristics of the dwelling, the heating system, fuel type, and external temperatures. Space heating requirements are based on 2 types of heating regimes - standard and enhanced. Households that include a person aged 75 or over or suffering a long term illness or disability are considered vulnerable and their running costs are based on an enhanced heating regime (23C in living rooms and 20C in other rooms for 16 hours each day). All other households are assessed based on the standard regime (living rooms heated to 21C and bedrooms to 18C for 9 hours on week days and 16 hours per day at weekends). No information about actual fuel running costs have been used. This is consistent with the new definition of fuel poverty in Scotland, following amendments agreed at Stage 2 of the Fuel Poverty (Targets, Definition and Strategy) Bill.

Driver: Debt

Indicator 15: Unmanageable debt

Percentage of households with children in unmanageable debt⁵ (Source: Wealth and Assets Survey)



How this indicator relates to the child poverty targets:

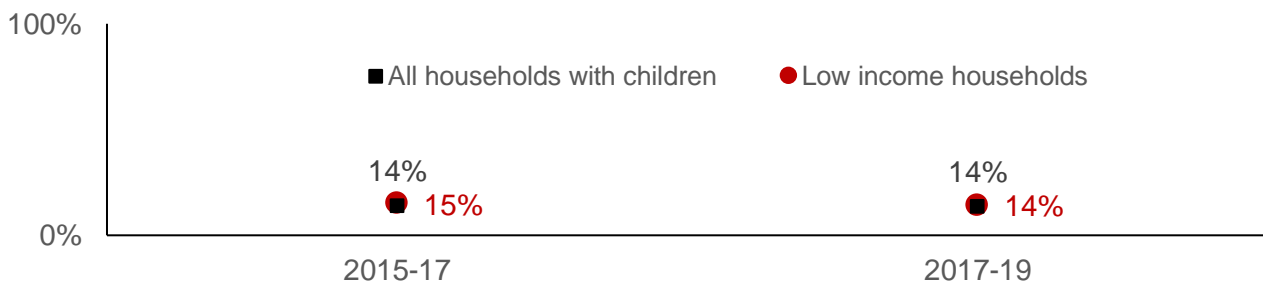
Debt repayments are not deducted from income for the purposes of determining whether a household is in income poverty. They do, however, reduce the amount of disposable income that households with children have to spend on goods and services, and therefore increase their risk of material deprivation.

Relative poverty	✓
Absolute poverty	
Low income + material deprivation	
Persistent poverty	

Driver: Enablers

Indicator 16: Access to affordable credit

Percentage of low income households (bottom three income deciles) with children that have used high cost credit⁶ in the past 12 months (Source: Scottish Household Survey)⁷



How this indicator relates to the child poverty targets:

Access to affordable credit can protect against problem debt and material deprivation. It acts as a buffer against unexpected costs (e.g. replacing a broken washing machine) and fluctuations in income.

Relative poverty	✓
Absolute poverty	
Low income + material deprivation	
Persistent poverty	

⁵ Unmanageable debt is defined as having at least one of the following three problems:

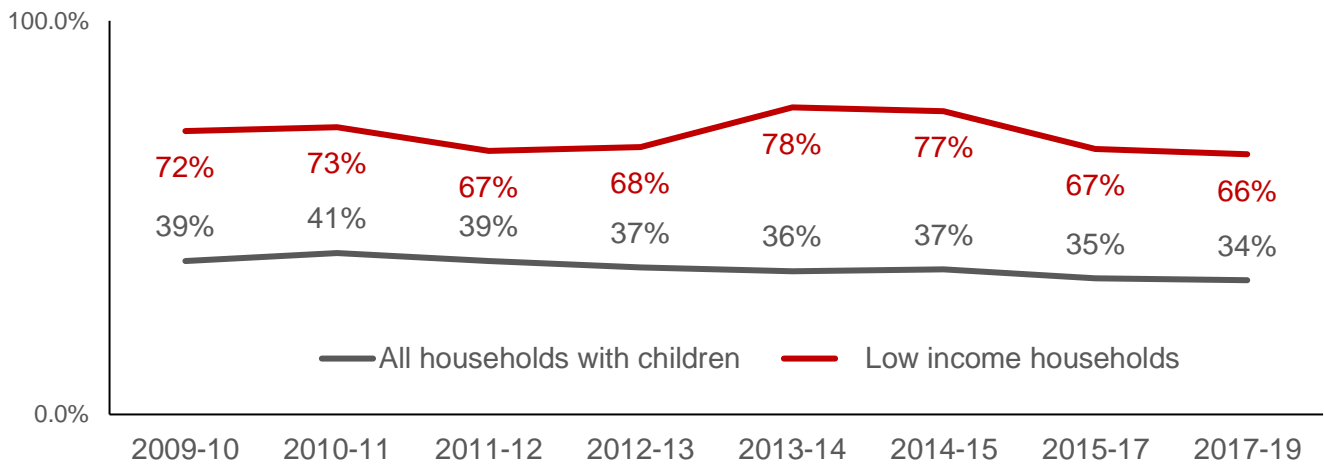
- household debt repayments represent at least 25% of net monthly income AND at least one adult in the household reports falling behind with bills or credit commitments
- at least one adult in the household is currently in two or more consecutive months arrears on bills or credit commitments AND at least one adult in the household reports falling behind with bills or credit commitments
- household debt represents at least 20% of net annual income AND at least one adult considers their debt a heavy burden

⁶ High cost credit is defined as including: catalogues or mail order schemes; hire or rental purchase agreements (like BrightHouse); cash loan from a company that comes to your home to collect payments; loan from a pawnbroker/cash converters; loan from a pay day lender.

⁷ There is no new data available for this indicator as, from 2015, the question is only asked every 2 years and the Scottish Household Survey data for 2019 has not been published yet.

Indicator 17: No savings

Percentage of low income households (bottom three income deciles) with children that have no savings (Source: Scottish Household Survey) (figures for all households with children are also provided for context)⁸



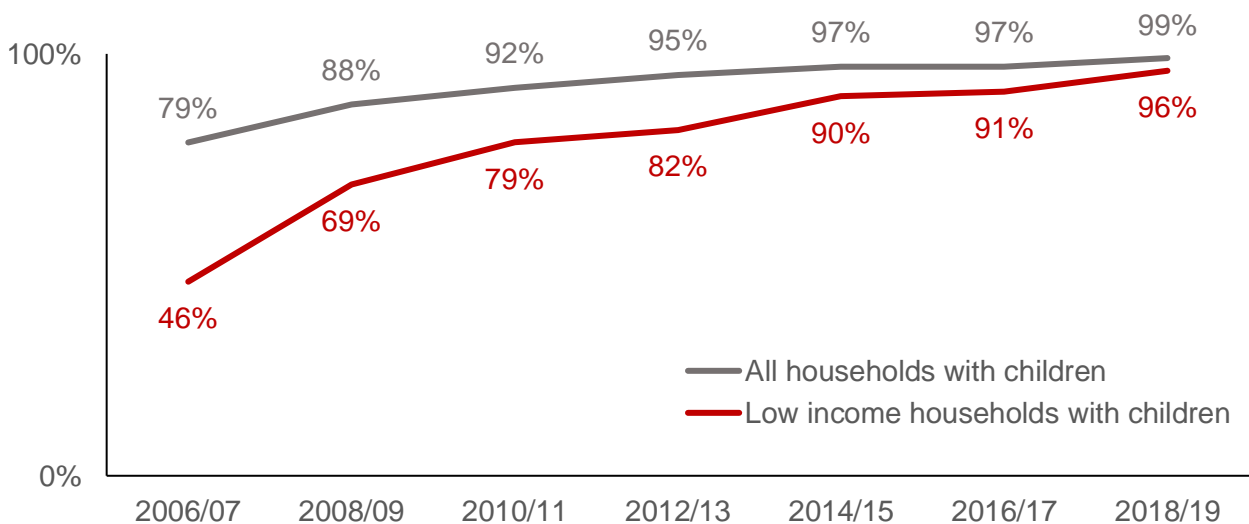
How this indicator relates to the child poverty targets:

Savings protect against problem debt and material deprivation. They act as a buffer against unexpected costs (e.g. replacing a broken washing machine) and fluctuations in income.

Relative poverty	✓
Absolute poverty	
Low income + material deprivation	
Persistent poverty	

Indicator 18: Internet access

Percentage of low income households (bottom three income deciles) with children that have home internet access (Source: Scottish Household Survey). Figures for all households with children are also provided for context⁹.



How this indicator relates to the child poverty targets:

Access to the internet allows opportunities to find lower-cost financial products and services, online banking, price comparison sites and online deals. Internet access and digital literacy also increase people's chances of accessing jobs and getting the benefits they are entitled to.

Relative poverty	✓
Absolute poverty	✓
Low income + material deprivation	✓
Persistent poverty	✓

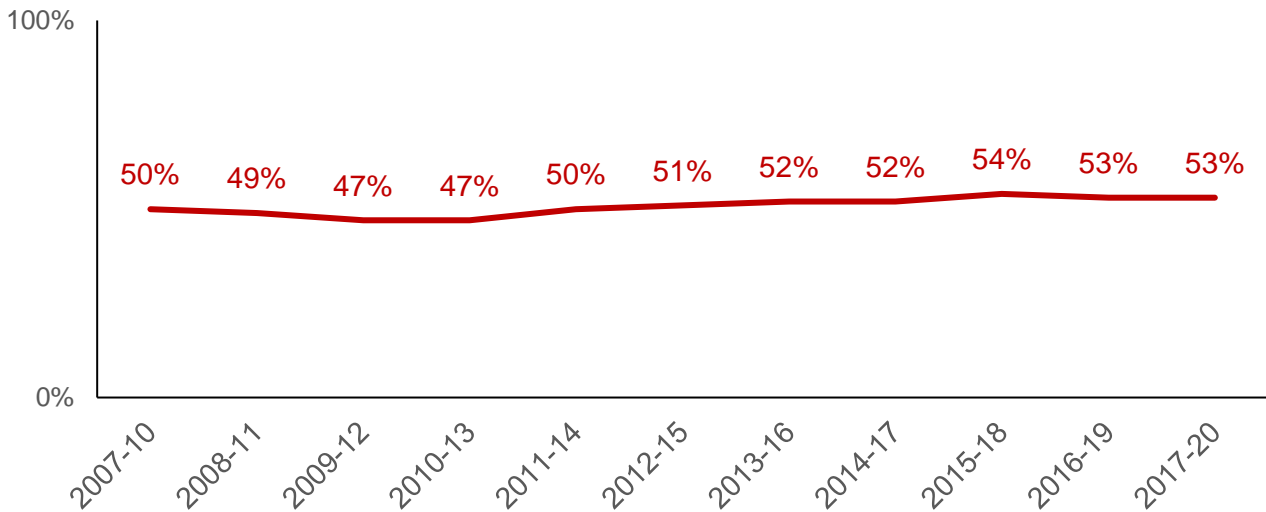
⁸ There is no new data available for this indicator as, from 2015, the question is only asked every 2 years and the Scottish Household Survey data for 2019 has not been published yet.

⁹ There is no new data available for this indicator as the sample size was too small.

Driver: Reach of benefits

Indicator 19: Targeted reach of benefits

Income from social security going to low income households (bottom three income deciles) with children, as a proportion of income from social security going to all households with children (Source: Family Resources Survey)



How this indicator relates to the child poverty targets:

Social security payments have a direct impact on poverty by providing or supplementing household income.

Relative poverty	✓
Absolute poverty	✓
Low income + material deprivation	✓
Persistent poverty	✓

Driver: Value of benefits

Indicator 20: Value of out of work benefits

Real terms value (£/per week in 2019 prices) of reserved social security entitlement (Job Seeker's Allowance + Child Tax Credits + Child Benefit) for out-of-work couple households with two children (Source: DWP benefit rates)



How this indicator relates to the child poverty targets:

Social security payments have a direct impact on poverty by providing or supplementing household income.

Relative poverty	✓
Absolute poverty	✓
Low income + material deprivation	✓
Persistent poverty	✓

Indicator 21: Value of in work benefits

Real terms value (£/per week in 2019 prices) of reserved social security entitlement (Working Tax Credits + Child Tax Credits) for a lone parent working full-time / couple with one working full-time and one not in paid employment, on minimum wage, with two children (Source: DWP benefit rates)



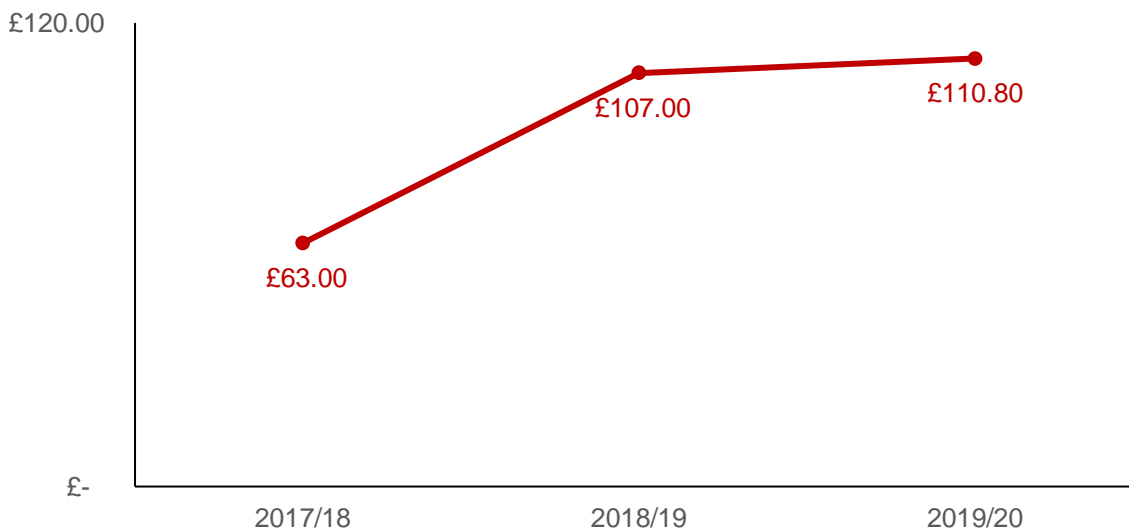
How this indicator relates to the child poverty targets:

Social security payments have a direct impact on poverty by providing or supplementing household income.

Relative poverty	✓
Absolute poverty	✓
Low income + material deprivation	✓
Persistent poverty	✓

Indicator 22: Value of school clothing grant

Real terms value of school clothing grant – average value across Scottish local authorities (Source: Local Authority Finance Returns LFR 01)



How this indicator relates to the child poverty targets:

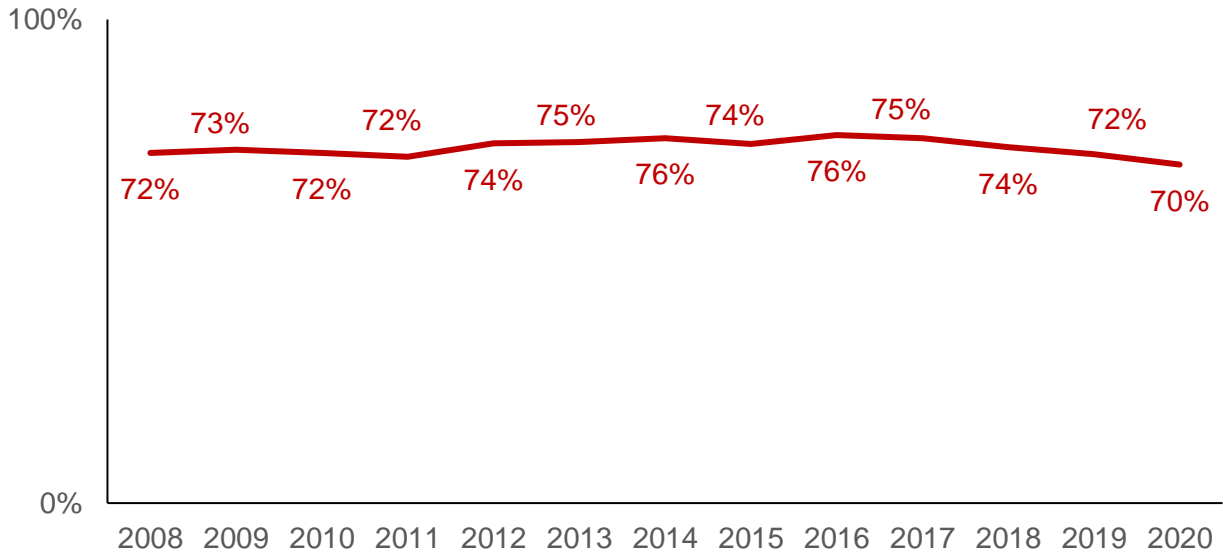
School clothing grants count towards the definition of income used by DWP. The value of school clothing grants therefore influences all four targets.

Relative poverty	✓
Absolute poverty	✓
Low income + material deprivation	✓
Persistent poverty	✓

Driver: Benefits take-up

Indicator 23: Take-up of free school meals

Percentage of children registered for Free School Meals (including all primary 1 to primary 3 pupils registered under the universal provision) who took a free school meal on the day of the survey (Source: Healthy Living Survey)



How this indicator relates to the child poverty targets:

The monetary value of Free School Meals counts towards the definition of income used by Department for Work and Pensions (DWP). Take-up of free school meals therefore influences all four targets.

Relative poverty	✓
Absolute poverty	✓
Low income + material deprivation	✓
Persistent poverty	✓



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