

Best Start, Bright Futures Tackling Child Poverty Delivery Plan 2022-2026

Annex 3

May 2023

UPDATED CHILD POVERTY MEASUREMENT FRAMEWORK 2022

(Annex 3)

version updated May 2023

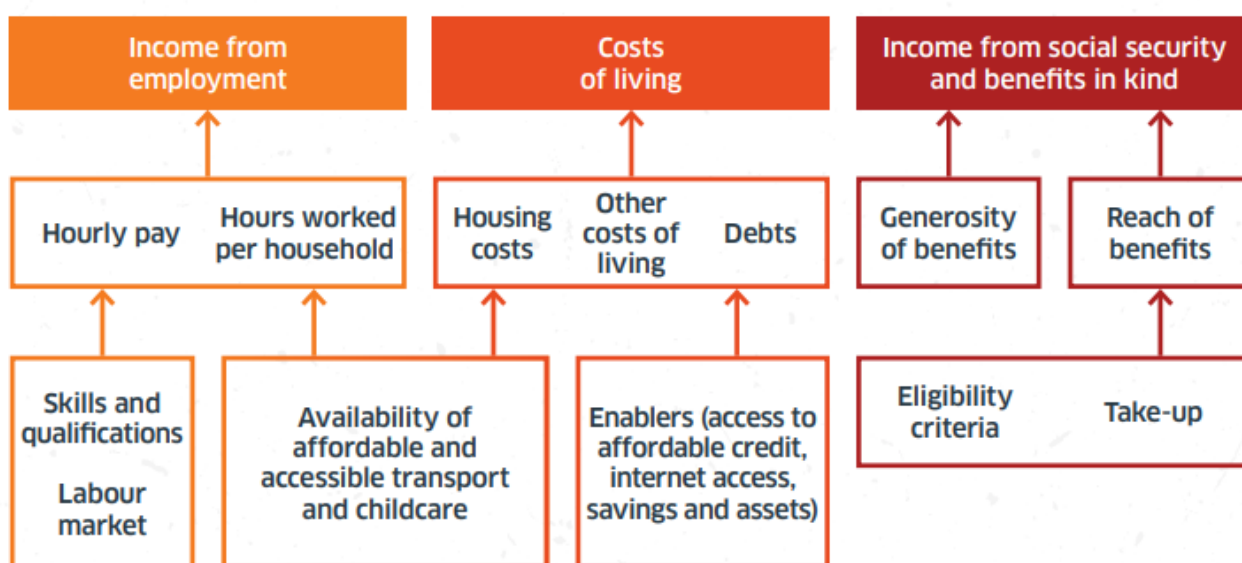
When the second Tackling Child Poverty Delivery Plan was published, an updated measurement framework accompanied the document. At that moment, in March 2022, there were some unknowns in terms of data sources and what specific analysis would be most useful to undertake, which was made clear in the report. Positively, over the past year, we have been able to agree on concrete new indicators that can allow us to track progress towards the drivers of child poverty. Specifically, we have updated this document to include further detail on indicators around childcare, transport and fuel poverty.

PURPOSE AND SUMMARY OF REVIEW

The [measurement framework was originally developed](#) and published in 2018 alongside the first [Tackling Child Poverty Delivery Plan](#) to support the measurement of how the actions being taken were impacting on the drivers of poverty for children in Scotland.

Over the past four years since the plan was launched, we have learned that the drivers of poverty are still relevant in the way that they were intended and therefore it makes sense to continue using the same approach for the measurement framework. The indicators help us understand the direction of travel towards the 2030 child poverty targets.

Figure 1: Drivers of poverty



In order to monitor whether and how these drivers of poverty change over time, a range of indicators were selected.

With the launch of the second Child Poverty Delivery Plan (2022-2026), the indicators were reviewed to assess whether:

- The indicators were still appropriate and up to date to reflect current policy.
- There was new data available that could measure indicators more robustly.
- There were any gaps to be covered.

UPDATED MEASUREMENT FRAMEWORK

The updated measurement framework is set out in the table below and will be used, from the first progress report of the new delivery plan in 2023, to monitor how and whether the drivers of poverty are changing over time.

Driver	Indicator	Source
INCOME FROM EMPLOYMENT		
Hourly pay	Average hourly earnings of low income households* with children where at least one adult is in employment	Family Resources Survey (FRS)
Hours worked per household	Percentage of children living in households where no adult is in paid employment	Annual Population Survey (APS)
	Average (median) number of hours of paid employment per working-age (16-64) adult, in low income households* with children where at least one adult is in employment	FRS
Labour market	Percentage of parents who are underemployed – parents (16-64) who are in work but would prefer to work more hours in their current job (at the same rate of pay), in an additional job or in a new job with longer hours to replace their current job	APS
	Skills under-utilisation – Percentage of employed working-age (16-64) parents with degrees who are in low and medium skilled occupations	APS
	NEW (from 2023) – Non-standard work contracts – Percentage of parents in employment, who have a non-permanent contract**	APS
Skills and qualifications	Percentage of all parents with no or low qualifications	APS
COSTS OF LIVING		
Availability of affordable and accessible transport and childcare	Percentage of day-care children services that offer a service during school holidays	Care Inspectorate Data
	Percentage of day-care or children services that are open before, during and after school hours	
	Childcare affordability – Percentage of all households with a child aged between 0 and 11 that say they find it difficult or very difficult to afford their household's childcare costs	Scottish Household Survey (SHS)
	NEW (from 2023) – Childcare costs – Annual household spend on childcare as a percentage of annual income.	SHS
	NEW (from 2023) – Transport costs – Percentage of income spent on transport costs by low income households* with children	SHS
	NEW (from 2023) – Transport affordability – Percentage of people, from low income families with children, reporting that they find it fairly, or very, difficult to afford their individual transport costs	SHS

Driver	Indicator	Source
Housing costs	Percentage of income spent on housing by low income households* with children	FRS
Other costs of living	NEW (from 2023) – Fuel poverty – percentage of households with children in fuel poverty or extreme fuel poverty	Scottish House Condition Survey (SHCS)
	Food affordability – percentage of income spent on food and non-alcoholic drinks by low income households with children	Living Costs and Food Survey
	NEW (from 2023) – Food security – percentage of children in low income households with low or very low food security	FRS
Debt	Unmanageable debt – Percentage of all households with children that are in unmanageable debt***	Wealth and Assets Survey
Enablers	Access to affordable credit – percentage of households with children that have used high cost credit in the past 12 months	SHS
	Percentage of low income households with children that have no savings	
	Percentage of low income households* with children that have internet access	
INCOME FROM SOCIAL SECURITY AND BENEFITS IN KIND		
Reach of benefits	NEW (from 2023) – proportion of children who are eligible for Universal Credit	FRS, with microsimulation using UKMOD
Level of benefits	NEW (from 2023) – Real terms value (£/pw) of Universal Credit for out-of-work couple with two children / out-of-work lone parent with two children, both in Stirling receiving full Local Housing Allowance	DWP, ONS
	NEW (from 2023) – Real terms value (£/pw) of Universal Credit for couple with one working full time at minimum wage and one not in paid employment/lone parent with two children working full time at minimum wage, both in Stirling receiving full Local Housing Allowance	DWP, ONS
	NEW from 2023 – Real terms value of Scottish Child Payment (SCP)	SG, ONS
Take-up	NEW from 2023 – Take up of Scottish Child Payment	SG Benefit Take-up Strategy, SG data

* low income households are defined as those within the lowest 30% of household incomes

** non-permanent contracts are fixed term or temporary jobs, work without contract, or other working arrangements

***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

DETAIL ON RATIONALE FOR CHANGES AND ADDITIONS

The following information explains, for each driver of poverty, how the indicators selected for inclusion in the measurement framework relate to the poverty targets, why changes were made and new indicators included.

Driver of poverty: Income from employment

Based on the assessment of the income from employment indicators the majority of the current indicators are still relevant and will be kept in the measurement framework. The data sources also continue to be the most accurate and up to date allowing trends to be examined.

The exception to this is the **attainment gap indicator** which will be moved from the annual measurement framework and instead be part of the additional report looking at long term impact of policies on child poverty and wellbeing. The majority of school leavers today are unlikely to become parents in the next eight years. Therefore, attainment is not expected to drive significant progress towards the current 2030 child poverty targets in Scotland, but will still have an impact in the longer term. Attainment gap statistics are publicly available from the Scottish Government.¹

A key gap identified for the driver on income from employment is around the security of work. We know that having paid work is not enough to lift families out of poverty and that the majority of families in poverty are already in employment. As well as being in employment we know that the quality of work a person has is important, and that employment which offers a stable and predictable income is important. The type of work people have access to is therefore important, with not everyone having access to fair work which provides secure employment opportunities.

To address this gap a new indicator has been developed to measure **non-standard work contracts** which will show the percentage of working households with children who have a non-permanent contract (based on Annual Population Survey data). While this is the most reliable data source to provide a measure of non-standard work contracts it should be noted that it may not pick up on each type of insecure work. For example, zero-hour contracts, in particular, can be permanent and are currently included in the number of employees considered to have *secure* contracts.

¹ [Closing the poverty-related attainment gap: progress report 2016 to 2021 - gov.scot \(www.gov.scot\)](https://www.gov.scot/resources/consultation-papers/closing-the-poverty-related-attainment-gap-progress-report-2016-to-2021/)

Driver of poverty: Costs of living

The indicators used around costs of living during the first delivery plan continue to be of relevance and important to understand the impact of certain policies on all child poverty targets, including material deprivation.

The data sources employed to track progress remain the most robust available and future reports will therefore report in the same way. However, since the first plan was set out, some of the limitations and gaps in data can now be addressed. These are summarised below:

Childcare

The current childcare indicators are still relevant as childcare represents a significant cost for households with children. In addition, a lack of flexible and affordable childcare can limit opportunities for paid employment. The indicators looking at availability in school holidays and outside of school hours are also still relevant as lack of childcare in school holidays and outside of school hours can limit opportunities to provide wraparound childcare, therefore also limiting regular paid employment opportunities.

The main limitation in the childcare indicators was around the measure of childcare affordability. The indicator available at the time provided a subjective measure of affordability. Such a measure is useful in measuring families experiences of costs and whether they are struggling to meet these costs. However, it does not allow a direct measure of how childcare costs are changing over time. New data on childcare costs is available from the Scottish Household Survey (SHS). This allows us to develop a **new indicator tracking costs of childcare**² as a proportion of annual income. There is currently an insufficient sample size for us to be able to report this data for low income families. In the future, we should be able to combine multiple years' data to achieve a sample size that allows analysis of low income households compared to all households but, because this is new data, this is not yet possible. As well as the quantitative measure of percentage spend on childcare costs, the existing measure of perceptions of affordability will also be kept to be able to track how families are coping with these costs.³

There remain some gaps in evidence around childcare and child poverty. First, on take-up of funded Early Learning and Childcare (ELC). The data transformation project for the Early Learning and Childcare census is anticipated to develop data collection on the number of ELC-funded hours children are registered for, and more details of the characteristics of the child receiving funded ELC⁴. We will therefore keep this data under review. The other gap is around accessibility of childcare. This is important as childcare being accessible for both parents and children with a wide range of needs and circumstances can impact on the extent to which parents are

² As part of the ELC expansion monitoring and evaluation strategy a wider set of ELC indicators are being finalised in 2022. We would therefore want to ensure that the indicator in the child poverty measurement framework is aligned with this as far as possible. This indicator will initially be developed using the 2021 SHS data so specific details will be confirmed later in 2022.

³ Due to the impact of Covid on SHS data collection, data for this indicator will be available from 2023.

⁴ More details on [Early learning and childcare: data transformation project - gov.scot \(www.gov.scot\)](http://www.gov.scot)

able to use childcare on offer. As well as being physically accessible for childcare to be fully accessible it needs to be provided at flexible times that work for parents and be in the right locations. Any measure of accessibility would therefore need to be clear about what aspect of accessibility being measured and how it relates to the drivers of child poverty. We will continue to review the options available around defining accessibility in childcare and how to best capture it as an indicator.

Transport

Availability of transport can impact on the drivers of poverty in two ways. On one hand, transportation expenditure contributes to the cost of living and therefore higher, or lower, transport costs can either add to or alleviate financial pressures on households. On the other hand, the reliability and accessibility of transport can affect people's ability to access work, or attend other appointments, and could therefore impact on potential income.

The only transport-related measure available when the first measurement framework was developed was on transport satisfaction. A review of this indicator has highlighted issues with interpretation. Analysis shows that satisfaction with public transport is lower for people in work; this could mean that, if someone becomes unemployed (and no longer needs to use public transport to commute) their satisfaction levels may actually increase, though they may be worse off financially. Similarly, levels of satisfaction are higher for people without access to a car, even in areas with poorer transport links; hypothetically, should a low income household lose access to a car, this may result in increased levels of satisfaction with public transport. While we cannot easily infer the reasoning behind people's expressed satisfaction with public transport, it seems possible that greater satisfaction may be correlated with experiencing some degree of deprivation.

Additional questions on transport affordability and spend have been added to the 2021 Scottish Household Survey. We are now including a measure of transport costs that shows the proportion of household income that is spent on transport, per week, alongside a more subjective measure of affordability - the extent to which people find it difficult to afford their personal transport costs. Including both of these elements is important because they illustrate different things; the amount someone pays for something is not necessarily related to whether they can afford it. For example, a household may spend relatively little of its income on transport costs but still struggle with affordability if spending is squeezed elsewhere.

These indicators will show figures for low income families alongside all families as a comparison. In transport costs, all modes of transport are included, both public transport as well as owned cars.⁵

We looked into producing an indicator to measure the *accessibility* of public transport, to determine whether services effectively meet people's regular travel

⁵ These questions are being added to the 2021 SHS which is due to be published in autumn 2022 and would be available to include in the 2023 update onwards.

needs. We found, however, that 'transport accessibility' is a complex issue which cannot easily be represented by a single indicator.

We considered measuring average (mean) journey times to public services using SIMD data and found that people on lower incomes tend to have comparatively better access to services using this measure. This appears to be true, too, in the case of access to bus services⁶. The main factor determining people's access to transport and other services is whether they live in an urban or rural area and, because deprivation tends to be concentrated in urban areas, there is greater accessibility. Monitoring transport accessibility in relation to income is, therefore, unlikely to provide meaningful data about the accessibility challenges that people on low incomes (who are more reliant on public transport) might face.

Furthermore, proximity to services will not necessarily indicate whether those services are meeting the needs of people living in the areas served. People's individual transport needs are circumstantial and potentially complex. The convenience of public transport will vary significantly because of this. Transport accessibility also encompasses issues such as having access to reliable travel information, services being on time, overcrowding and accommodation of different mobility needs⁷. We know from research for our focus reports that being disabled, or travelling with a pushchair can present additional barriers to using public transport^{8,9}.

We will continue to gather qualitative data on people's experience of travel and public transport through future research, to complement the statistics on costs and affordability used in the measurement framework.

Other costs of living

The previous indicator on fuel affordability (median ratio of fuel running costs to net household income, after housing costs, for low income households) has been replaced with a simpler measure of fuel poverty – the percentage of households with children in fuel poverty (including extreme fuel poverty), presented alongside the rate for all households for comparison. The Scottish Government's definition of fuel poverty is articulated in [Section 3 of the fuel poverty act \(2019\)](#). The data comes from the [Scottish House Condition Survey - gov.scot \(www.gov.scot\)](#).

Fuel poverty is highly correlated with income poverty and so focusing on fuel poverty rates for those on low incomes is likely to provide a consistently high figure, even if there were significant reductions in levels of child poverty. The new indicator will present rates for *all* households with children which represents a more meaningful measurement of fuel poverty and also allows for analysis of a larger sample. Fuel

⁶ [Where can I get a bus? – SPICe Spotlight | Solas air SPICe \(spice-spotlight.scot\)](#)

⁷ [Microsoft Word - Child Poverty and Transport Research - Final Report - May 2021 \(002\) \(povertyalliance.org\)](#)

⁸ [1. Income from employment - Tackling child poverty - third year progress report : annex B - child poverty in families with a disabled adult or child - gov.scot \(www.gov.scot\)](#)

⁹ [Tackling child poverty delivery plan: fourth year progress report 2021-2022 - focus report on households with babies under one - gov.scot \(www.gov.scot\)](#)

poverty rates for *all* households (i.e. including those without children) will be provided for comparison.

Fuel costs are not deducted from income for the purposes of determining whether a household is in income poverty. However, they are a risk factor for material deprivation as households may struggle to afford a reasonable standard of living where expenditure on fuel is very high.

New questions on food insecurity have been collected since 2019/20 in the Family Resources Survey (FRS) which allow the development of a **new indicator measuring food security**. This indicator will measure the percentage of children in low or very low food security households (with data provided for all children and children in poverty).

Enablers

Based on the assessment of the enablers indicators the majority of the current indicators are still relevant and will be kept in the measurement framework. These include: monitoring savings and access to affordable credit and internet access. The data sources also continue to be the most accurate and up to date allowing trends to be examined.

Driver of poverty: Income from social security and benefits in kind

Since the first delivery plan, the landscape of social security and benefits in kind has changed quite considerably, mainly through the introduction of Scottish Child Payment. Equally, the quality and availability of data has improved. Developments in the Social Security system since the development of the first framework mean that some changes have been possible.

Reach of benefits

A main gap in the previous measurement framework was around eligibility of benefits, that is the proportion of children in poverty who are eligible for benefits. We are now able to measure this using a microsimulation model and will include a **new indicator of eligibility for benefits**. This indicator will measure the proportion of children who are eligible for Universal Credit. This indicator will require careful interpretation, as a fall could be a result of positive change such as children having more money, and therefore being above the Universal Credit threshold. It could also, however, be as a result of a negative influence such as eligibility becoming tighter, for example through policy changes such as the two-child limit.

The inclusion of eligibility, along with the measures of take-up and value, **removes the need for the ‘targeted reach of benefits’ indicator** as eligibility provides a better measure of reach for the purposes of reducing child poverty.

Level of benefits

The current indicators measuring level of benefits are less relevant now, compared to when the original measurement framework was developed, as they do not take into account the transition to Universal Credit. Due to the ongoing rollout of Universal Credit, a majority of people on working-age benefits are now on Universal Credit rather than legacy benefits, and this proportion will continue to increase until Universal Credit is fully rolled out.¹⁰

The reviewed measurement framework will therefore **replace the two existing value of benefit indicators with two new indicators which measure the value of Universal Credit**. As with the previous indicators, these will be based on ‘model’ household types. These family types represent common scenarios. Other family types are expected to show different values but similar trends over time. Unlike the previous indicators, these will also now take account of local housing allowance.

The updated value of out-of-work benefits indicator will measure benefit value for an out-of-work couple household with two children; and an out-of-work lone parent with two children; both in Stirling receiving full Local Housing Allowance.¹¹

The updated value of in-work benefits indicator will measure benefit value for a couple household with two children, with one parent working full time at the minimum

¹⁰ The full rollout of Universal Credits is currently planned for 2024.

¹¹ Stirling is being used as the ‘median’ local authority for the purpose of Local Housing Allowances.

wage and one out of work; and a lone parent household with two children working full time at the minimum wage; both in Stirling getting full Local Housing Allowance.¹²

To estimate the real-terms value of these benefits we will use September Consumer Price Inflation (CPI) as reported by the Office for National Statistics. September CPI is the index used to uprate benefits, including Universal Credit. However, as Local Housing Allowances are currently frozen, the real-terms of value of Universal Credit is expected to fall over time in our examples.

We are also now able to include **a new indicator measuring the real terms value of the Scottish Child Payment**. This is a key devolved benefit in tackling child poverty which has been introduced since the development of the measurement framework. While other child-related devolved benefits exist – such as Best Start Grants and Best Start Foods – Scottish Child Payment reaches a wider group of children and represents a larger payment each year. It will therefore have a more significant impact on child poverty. Scottish Child Payment is uprated by inflation (September CPI) so we do not expect this indicator to change over time apart from changes in policy, such as the increase to £20 per week beginning in April 2022.

This new Scottish Child Payment indicator will **replace the current school clothing grant indicator**, which will be removed. The school clothing grant is still important for low income families as it has the potential to reduce material deprivation. However, as an indicator in the measurement framework it is becoming less useful due to the national minimum grant levels being introduced. It is also not possible to have a measure of take-up of the school clothing grant as we do not have a robust estimate of the number of children eligible for the grants under the criteria set by each local authority, with this criteria varying between local authorities.

Take-up

Free school meals are still important to low income families and children as they have the potential to reduce material deprivation. However, as an indicator specifically tracking the drivers of child poverty free school meals will be less useful in the future as from next year they will be supplied to all primary school children. This indicator will therefore be removed and is being replaced by a **new indicator which captures take-up of the Scottish Child Payment**, which is more targeted, to measure progress on benefit take-up. This will align with work on the [benefit take-up strategy](#) to provide measures of take-up estimates for low income benefits administered by Social Security Scotland. It is still not possible to identify an indicator to monitor the generosity of free school meals.

It is not currently possible to develop an indicator to measure take-up of Universal Credit. This data is collected by DWP who have stated that it is not possible to estimate take-up rates of Universal Credit whilst there are people in receipt of legacy benefits. This will be kept under review should data availability change.¹³

¹² As with the out-of-work indicator the in-work indicator is using Stirling as it is often the ‘median’ local authority for the purpose of Local Housing Allowances.

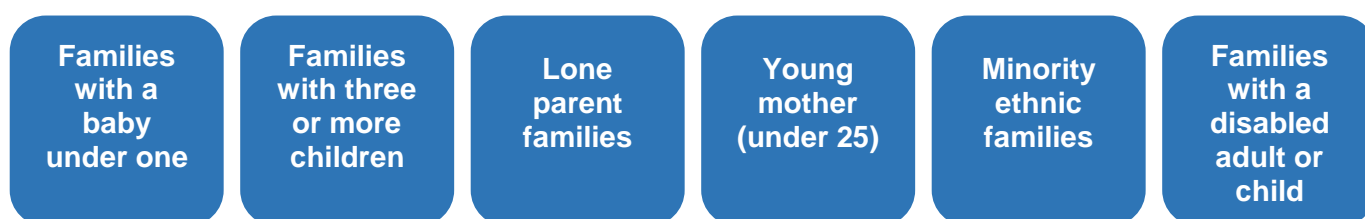
¹³ [Income-related benefits: estimates of take-up FYE 2020: statistical notice - GOV.UK \(www.gov.uk\)](#)

MEASUREMENT INDICATORS AND PRIORITY FAMILIES

The indicators included in the child poverty measurement framework do so at a high level to understand how child poverty rates are being driven across the Scottish population. This is useful because it allows us to gather an overall picture of how we are making progress towards improving the key drivers of poverty and delivering upon the 2030 targets.

We know, however, that there are certain family groups in the population that are at higher risk of child poverty. These are:

Figure 2: Priority family types



In order to better understand how specific priority group families are experiencing the drivers of poverty it is useful to be able to access and consider data which can describe and track progress for each group. By doing this, trends and gaps in progress for specific groups can be tracked to identify where specific barriers in meeting the child poverty targets may be and where further areas for targeted action are required.

Over the period of the first delivery plan, we have provided focus reports on three priority family types. [Lone parent families](#), [minority ethnic families](#) and [families with a disabled adult or child](#). The last progress report on the first plan, due in Summer 2022, will look at two further groups: young mothers (i.e. those aged under 25) and families with a baby under one.¹⁴ Additionally, Public Health Scotland has provided an [overview for families with three or more children](#).

Going forwards, we will investigate options for providing more regular breakdowns for each priority group. An initial assessment of the data showed important challenges. For example, sometimes, sample sizes can be small and not reliable enough to comment on significant differences or trends in data. Additionally, not every dataset used to track the indicators collects information on the priority family types (although where possible indicators have been designed to use datasets which do collect this). During the first year of the second delivery plan, we will complete the assessment of the data to understand how possible and accurate it is to provide regular measurement framework updates across all priority family types.

¹⁴ Scottish Government has not yet published a focus report on families with three or more children, however for a summary on the issues faced by families in this group please see Public Health Scotland's briefing report [Public Health Scotland's briefing report](#)

SUMMARY OF FEEDBACK RECEIVED BY STAKEHOLDERS

Stakeholders were consulted on the reviewed measurement framework prior to its publication. Generally, feedback was positive and welcomed the changes, particularly around the new indicators on childcare, fuel costs and transport costs/accessibility.

A key theme, however, across all of the feedback received, was that there is a need to have improved disaggregation of data for each of the indicators across the priority family types identified in the plan. We have taken this forward as an action to support analysis in the second delivery plan. As set out in the previous section, as well as the [evaluation strategy](#), we will be carrying out a review of data availability which will be published as a separate output to assess what it would be possible to provide and how regularly across all priority types.

There were also suggestions for some amendments to indicators and suggestions for new indicators to address gaps which we have considered. Not all of these have been possible due to data constraints but, when outlining the rationale behind the updates in the first section of this document, we have set out these limitations and any plans for future development to existing data which we will keep under review.

Other feedback which we have tried to address in this document included:

Income from employment

- Clarity around what the non-standard work contract indicator will measure and how/whether it will take account of zero-hour contracts as well as breaking data down by low-income households to reflect the potentially different types of contracts worked by income.
- The continued inclusion of an attainment gap indicator.

Costs of living

- Whether, for childcare, it is possible to develop indicators measuring the take-up of funded Early Learning and Childcare as well as the accessibility of childcare.
- Similarly, the potential to develop an indicator more directly measuring other aspects of transport accessibility relevant to families with disabled people.

Social security and benefits in kind

- Some concern/need for further clarification on the rationale for moving to measuring reach and value of Universal Credit rather than legacy benefits.
- Suggestion to measure the proportion of all children who are eligible for Universal Credit rather than just those in low-income households as practically everyone in those bottom three deciles will be eligible.



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