

CORRESPONDENCE

Paper Between The Cabinet Secretary For Communities, Social Security And Equalities And First Minister – 12 December 2017

[REDACTED]

CHILD POVERTY STATISTICS AND DISTRIBUTION

Child Poverty Bill

The Child Poverty Bill contains 4 ambitious income-based targets to reduce child poverty in Scotland by 2030.

Relative poverty

This measures poverty relative to the rest of society.

It is the proportion of children living in households with equivalised incomes below 60% of the median (middle) UK income in the current year.

Current level: 26% (260,000 children) **2030 target level: <10%**



Absolute poverty

This measures changes in poverty relative to a point in time

It is the number of children living in households with equivalised incomes below 60% of the median UK income in a base year – currently 2010/11 - adjusted for inflation.

Current level: 24% (230,000 children) **2030 target level: <5%**

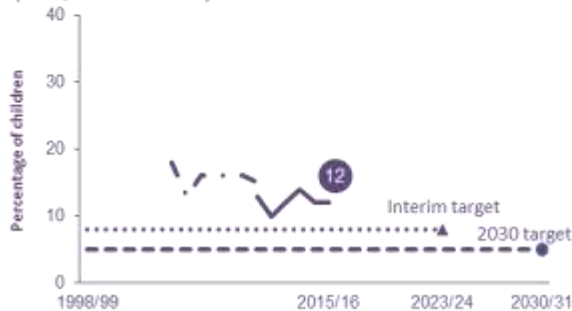


Combined low income and material deprivation

Measures whether households are able to afford basic necessities

The number of children living in households with equivalised incomes below 70% of the median UK income AND going without certain basic goods and services.

Current level: 12% (110,000 children) **2030 target level: <5%**

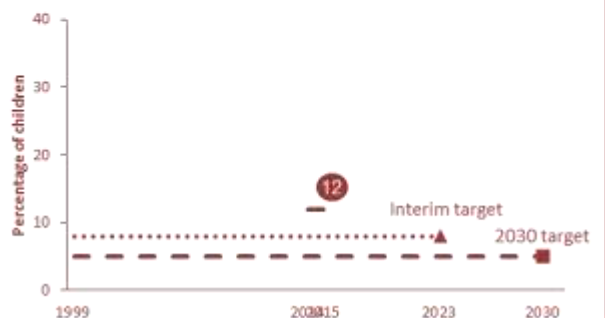


Persistent poverty

Measures whether people have been living in poverty for a number of years

The number of children who have lived in relative poverty in 3 of the last 4 years.

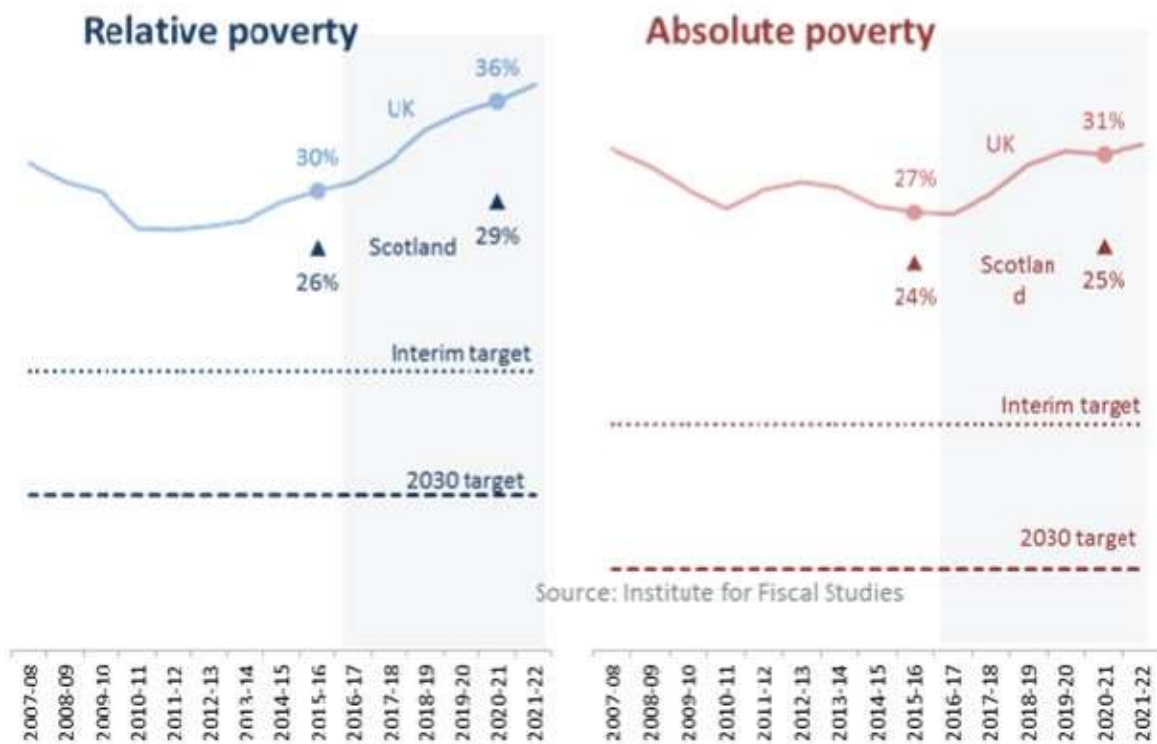
Current level: 12% **2030 target level: <5%**



If no action is taken, child poverty is likely to rise

[redacted]

- The IFS has projected that child poverty rates across the UK will rise as low income families obtain more of their income from benefits and less from earnings whilst Welfare Reform means that the real value of benefits is being cut.



Scale and Relative Distribution of Relative Poverty amongst households with children

This diagram illustrates the numbers of households (with children) and the number of children in relative poverty (after housing costs) and how the depth of poverty compares across and within those within lenses.

Every household is different and all will need different amounts of income to reach the poverty threshold. The difference between a household's net income and the poverty threshold is sometimes referred to as "missing income".

The charts show, for each group, the percentage of households by proximity to the poverty threshold and the average income gap, or "missing income". Poverty thresholds differ depending on household size (the larger the household, the more income you need to reach the threshold) which is why some households appear to be relatively closer to the poverty threshold than others, yet the average "missing income" is higher.

Where the bars toward the right hand side of a given chart are larger this means that more households in that group are close to the poverty threshold and are not in as severe poverty. Where the opposite is true and the bars on the left are larger, more households are further away from the poverty threshold and are in more severe poverty.

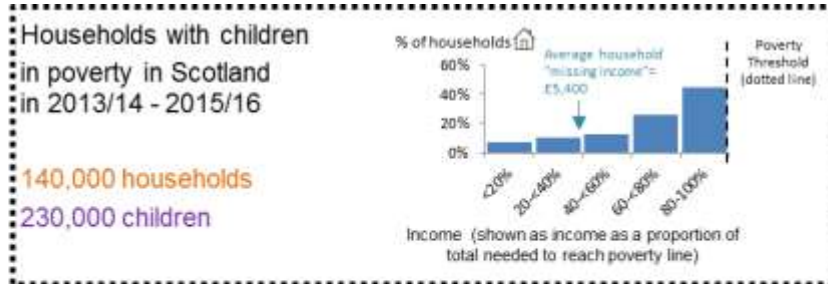
Missing income is not a proxy for the amount that would need to be spent on each household to eradicate poverty through, for example, social security.

Each household situation will be different, and social security systems are not able to predict and pay out exact amounts that would move each household out of poverty each year. In addition, to protect work incentives taper rates would be required, increasing the size of the payments required and the number of households – including some who won't be in poverty - eligible. Nor does it tell us how much extra households need to earn to leave poverty, as it does not take account of the impact of benefit withdrawal as earnings increase or the tax system (all figures are net).

What do the overall figures tell us?

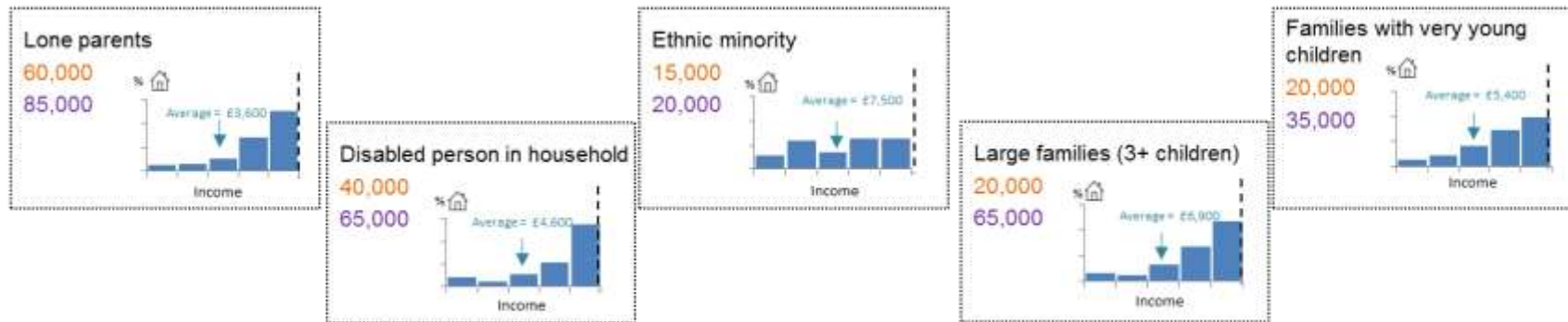
- Almost 1/2 of households with children are relatively close to the poverty line (they have at least 80% of the income they need to escape poverty).
- Less than 10% of households with children have less than 20% of the income they need to escape poverty. These are the households in the most severe poverty.

Scale and Relative Distribution of Relative Poverty amongst households with children



Contact emma.congreve@gov.scot in Communities Analysis Division if you have any questions.
All data is 2013/14 - 2015/16.
Next update due March 2018

Lenses (high risk groups)



Additional barriers



Missing income is not a proxy for the amount that would need to be spent on each household to eradicate poverty

Each household situation will be different, and social security systems are not able to predict and pay out exact amounts that would move each household out of poverty each year. In addition, to protect work incentives taper rates would be required, increasing the size of the payments required and the number of households eligible.

[REDACTED]

Email from Cabinet Secretary for Communities and Local Government to First Minister

From: [redacted] **On Behalf Of** Cabinet Secretary for Communities, Social Security and Equalities

Sent: 19 February 2018 14:37

To: First Minister

Cc: Cabinet Secretary for Communities, Social Security and Equalities; DG Education, Communities & Justice; Director for Housing and Social Justice; Laing SG (Shirley); [redacted]

Subject: CHILD POVERTY DELIVERY PLAN - NOTE FROM MS CONSTANCE TO FIRST MINISTER

PS/First Minister

Please find attached a note from Ms Constance to the First Minister regarding the above.

Many thanks

[redacted]

<< File: Briefing from Cab Sec to FM - Child Poverty Delivery Plan.docx >>

[redacted]

Diary Secretary

Cabinet Secretary for Communities, Social Security and Equalities

Scottish Government, 1W:11, St Andrews House, Edinburgh, EH1 3DG

[redacted]

Please read Cabinet Secretary's preferences: [Cab Sec Preferences](#)

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Briefing from Cab Sec to FM – Child Poverty Delivery Plan.docx

[redacted]

Reply from First Minister to Cabinet Secretary for Local Government and Communities

From: [redacted] **On Behalf Of** First Minister

Sent: 20 February 2018 12:35

To: Cabinet Secretary for Communities, Social Security and Equalities; First Minister

Cc: DG Education, Communities & Justice; Director for Housing and Social Justice; Laing SG (Shirley); [redacted]

Subject: RE: CHILD POVERTY DELIVERY PLAN - NOTE FROM MS CONSTANCE TO FIRST MINISTER

[redacted]

First Minister has considered Ms Constance's note and has provided feedback.

[redacted]

Thanks

[redacted]

[redacted]

Private Secretary to the First Minister

The Scottish Government

5th Floor | St Andrew's House | Regent Road | Edinburgh | EH1 3DG | [redacted]



Office of the First Minister of Scotland

FirstMinister.gov.scot

Prìomh Mhinistear na h-Alba



Email from Cabinet Secretary for Communities and Local Government to the First Minister

From: [redacted] **On Behalf Of** Cabinet Secretary for Communities, Social Security and Equalities

Sent: 22 January 2018 08:52

To: First Minister <firstminister@gov.scot>

Cc: Cabinet Secretary for Communities, Social Security and Equalities <CabSecCSSE@gov.scot>; [redacted]; DG Education, Communities & Justice <DGECJ@gov.scot>; Director for Housing and Social Justice <DirectorHSJ@gov.scot>; [redacted];

Subject: NOTE TO FM - CHILD POVERTY (SCOTLAND) ACT 2017 DELIVERY PLAN

PS/FM,

Please find attached a note to FM from Ms Constance.

Thanks,

[redacted]

[redacted]

Deputy Private Secretary to Cabinet Secretary for Communities, Social Security & Equalities

The Scottish Government | St Andrew's House, Regent Road, EDINBURGH EH1 3DG

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**NOTE TO FM - CHILD POVERTY (SCOTLAND) ACT 2017 DELIVERY
PLAN.DOCX**

[REDACTED]