

Explanation of Child Poverty Modelling - September 2024

Lines

1. The following lines have been agreed, and should therefore be used when referencing the modelling:
 - Modelling published in February estimates that this Government's policies will keep 100,000 children out of relative poverty this year, with relative poverty levels 10 percentage points lower than they would have otherwise been.
 - This includes keeping an estimated 60,000 children out of relative poverty through investment in the Scottish Child Payment.

[redacted – FOISA s.30(b)(i) (free and frank provision of advice)]

Background

3. Scottish Government modelling published in February 2024 estimated that **Scottish Government policies** will keep **100,000 children** out of relative poverty in 2024-25, with relative child poverty levels 10 percentage points lower than they would have otherwise been.
4. This includes keeping an estimated **60,000 children** out of relative poverty in 2024-25 through the **Scottish Child Payment**. The other policies included in the 100,000 estimate are: Free School Meals; School Clothing Grant; Council Tax Reduction (including water and sewerage discount); Discretionary Housing Payments (bedroom tax and benefit cap mitigation); Carers Allowance Supplement; Best Start Grant; Best Start Foods; and employability services.
5. The 100,000 estimate represents the cumulative impact of these policies, compared to a theoretical world in which they did not exist. As much of this impact will already have been acting on child poverty levels for some time, **the impact is expressed in terms of children 'kept' out of poverty, not in terms of children 'lifted' out of poverty**. For the same reason, the 100,000 estimate represents the total impacts of the Scottish Government policies that are modelled, not only the impacts of new actions. No account is made for comparator UK Government policies, such as Sure Start Maternity Grant, in this calculation.
6. **The figures are modelled estimates based on a range of assumptions and therefore carry a degree of uncertainty**. The modelling is intended to provide an indication of how Scottish Government policies are affecting child poverty levels; it does not support definitive statements around the impacts of policies.
7. **It is also important to specify the date on which the modelling was conducted**. The modelling used the latest data available at the time of publication in February 2024, but there have been a number of key changes since then. These include: further data on child poverty relating to 2022-23; the UK Spring Budget; and the latest OBR economic forecasts. The estimated

impacts of Scottish Government policies may change once these developments are included in the model.

Sensitivities

UK Statistics Authority correspondence

8. Following correspondence from Paul O’Kane MSP, the UK Stats Authority wrote to Scottish Ministers confirming that *‘this kind of analysis is a reasonable way to estimate the impact of Scottish Government policies on child poverty’* – when used as described above.
9. However, the Chair, Sir Richard Chote, warned against referring to the impacts of Scottish Government policies as *‘lifting’* children out of poverty. He noted that the *‘average person hearing such a statement might well assume that Ministers were claiming that child poverty is 100,000 lower than when the SNP took office’*.
[redacted – FOISA s.30(b)(i) (free and frank provision of advice)]
10. Official statistics show that levels of child poverty were broadly stable in the period to 2020-23. The UK Statistics Authority highlighted in their correspondence that comparing the number of children living in relative poverty from 2004-07 to the latest datapoint of 2020-23 shows a decrease of 10,000 children (250,000 to 240,000).
11. The latest poverty statistics do not yet capture the full impact of the Scottish Child Payment, which is widely expected to increase divergence with the UK. However, while there is evidence the payment is making a difference to families, it is not possible to say if, and by how much, child poverty levels may fall when data for 2023-24 becomes available in March 2025. This is due to the complex range of factors influencing child poverty, including UK Government decisions on social security, levels of inflation, housing costs and increases in earnings – all of which impact median incomes and the incomes of low-income households.

[Out of scope]

From: [redacted – FOISA s.38(1)(b) (third party data)]

Sent: Tuesday, June 25, 2024 5:49 PM

To: Cabinet Secretary for Social Justice 2024 <CabSecforSJ@gov.scot>

Cc: Colin McAllister <Colin.McAllister@gov.scot>; Mick Wilson <Mick.Wilson@gov.scot>

Subject: RE: IMMEDIATE: Scottish Government child poverty statistics: Letter from Sir Robert Chote, Office of Statistics Regulation to Paul O'Kane MSP

PS/Cab Sec Social Justice

Apologies, I meant to add Colin McAllister to the copy list

Best wishes

[redacted – FOISA s.38(1)(b) (third party data)]

From: [redacted – FOISA s.38(1)(b) (third party data)]

Sent: Tuesday, June 25, 2024 4:40 PM

To: Cabinet Secretary for Social Justice 2024 <CabSecforSJ@gov.scot>

Cc: First Minister <FirstMinister@gov.scot>; Deputy First Minister and Cabinet Secretary for Economy & Gaelic <DFMCSEG@gov.scot>; Permanent Secretary <PermanentSecretary@gov.scot>; DG Communities <DGCommunities@gov.scot>; Director, Tackling Child Poverty and Social Justice <DirectorTCPSJ@gov.scot>; Mick Wilson <Mick.Wilson@gov.scot>; Emilie-Louise Purdie <Emilie-Louise.Purdie@gov.scot>; Fol SpAds PO <Fol.SpAdsPO@gov.scot>; ET FMQ/PQ Mailbox <ETFMQPQ@gov.scot>; Julie Grant <Julie.Grant@gov.scot>; Communications Social Justice <CommunicationsSocialJustice@gov.scot>; Andrew Bruce <Andrew.Bruce@gov.scot>; Director of Communications, Ministerial Support <DirectorCMS@gov.scot>; [redacted – FOISA s.38(1)(b) (third party data)]

Subject: IMMEDIATE: Scottish Government child poverty statistics: Letter from Sir Robert Chote, Office of Statistics Regulation to Paul O'Kane MSP

Cabinet Secretary for Social Justice

Copy:

First Minister,
Deputy First Minister
Permanent Secretary
Julie Humphreys
Mick Wilson
Heather Campbell
DG Communities
Andrew Bruce
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Communications Social Justice
Emilie-Louise Purdie
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FMQ mailbox

[redacted – FOISA s.38(1)(b) (third party data)]

Scottish Government child poverty statistics: Letter from Sir Robert Chote, UK Statistics Authority to Paul O’Kane MSP and advice of response to related Fol request

1.1 Priority and Purpose

1. Immediate: To note the letter issued by the UK Statistics Authority to Paul O’Kane MSP about “statements made by both the current and previous Scottish First Minister that Scottish National Party (SNP) policies are “lifting” an estimated 100,000 children out of poverty.” A separate Fol request has also been submitted asking for “actual outturn data” which substantiates the 100,000 figure in that context.

Recommendation

2. To note the correspondence, and draft response to the Fol.

Context and Issues

Correspondence between Paul O’Kane MSP and Sir Robert Chote.

3. The UK Statistics Authority today, issued a [Letter from Sir Robert Chote to Paul O’Kane MSP – Scottish Government child poverty statistics – UK Statistics Authority](#). This responds to Mr O’Kane’s [letter](#) on the subject of statements made by the FM stating that the SNP has ““delivered measures such as the Scottish child payment, which is taking 100,000 children out of poverty today”. Mr O’Kane highlights the most recent poverty statistics (up to 2022/23) do not appear to support these figures.
4. Sir Robert Chote notes that our estimate of 100,000 rests on the modelled impact of SG policies projected in 2024/25 (the figure also holds in 2023/24 according to the text of our modelling) and the key extract of his letter is as follows.

“This kind of analysis is a reasonable way to estimate the impact of Scottish Government policies on child poverty, even though, just like alternative estimates, the calculations are bound to be uncertain and dependent to some degree on methodological choice.”

“But the average person hearing such a statement might well assume that the First Ministers were claiming that child poverty is 100,000 lower than when the SNP took office. And, as you point out, the Scottish Government’s official statistics on Poverty and Income Inequality in Scotland conclude that the proportion of children in Scotland living in relative and absolute poverty remains broadly stable. Comparing the number of children living in relative poverty from 2004-07 (pre-SNP) to the latest datapoint of 2020-23 shows a decrease of 10,000 children (250,000 to 240,000). For children living in absolute poverty the decrease is 40,000 children (250,000 to 210,000).

“Given this potential confusion, Ministers would be well advised from time to time to accompany this type of claim with a reminder of the methodology underpinning it so that they are not suspected of making an unduly flattering comparison.”

5. This conclusion underlines the need to use and describe the modelling outcomes carefully – both in terms of describing it as “keeping” 100,000 out of poverty (not “lifting” we do not know the prior circumstances of families), and that it is a comparison against an alternative “counter-factual” world where SG policies are not in place, rather than the position prevailing in, say, 2007.

Response to Freedom of Information Request

6. A request was received on 18 June for 'any information held by the Scottish Government which substantiates the “100,000 children lifted out of poverty” claim based on **actual outturn data**, not on modelling or forecasts.'
7. We intend to reply this week that this “information is not held” under Section 17 of the Freedom of Information (Scotland) Act. The response will explain that this is because the 100,000 figure relates to years for which we do yet hold survey data (2023-24 data will be due in April 2025). We will also draw attention to the published modelling and latest poverty statistics. A full text of the draft response is

attached for information. [redacted – FOISA s.30(b)(i) (free and frank provision of advice)]

1.2 Sensitivities

8. Press Association has sought an SG response on the UKSA letter, for which existing press lines are being used by Communications colleagues. We will respond to more detailed requests as required. Reference to this letter has also been added into the Child Poverty FMQ brief (there is also a known FMQ on the impact of the two-child benefit cap).

1.3 Quality Assurance

9. This Submission has been approved by Mick Wilson, Deputy Director, Communities Analysis.

1.4 Conclusions and next Steps

10. The Cabinet Secretary is invited to note the correspondence above, reiteration of existing advice on reporting the modelling results, and the draft FoI response to be issued later this week.

[redacted – FOISA s.38(1)(b) (third party data)]

From: [redacted – FOISA s.38(1)(b) (third party data)]

Sent: Tuesday, June 25, 2024 2:42 PM

To: Cabinet Secretary for Social Justice 2024 <CabSecforSJ@gov.scot>

Cc: First Minister <FirstMinister@gov.scot>; Ross Ingebrigtsen <Ross.Ingebrigtsen@gov.scot>; Emilie-Louise Purdie <Emilie-Louise.Purdie@gov.scot>; Emily Mackintosh <Emily.Mackintosh@gov.scot>; Jack Middleton <Jack.Middleton@gov.scot>; Julie Grant <Julie.Grant@gov.scot>; Communications Social Justice <CommunicationsSocialJustice@gov.scot>; Mick Wilson <Mick.Wilson@gov.scot>; DG Communities <DGCommunities@gov.scot>; Director, Tackling Child Poverty and Social Justice <DirectorTCPSJ@gov.scot>; [redacted – FOISA s.38(1)(b) (third party data)]

Subject: Cab Sec clearance - media query – UKSA letter to Paul O'Kane MSP regarding child poverty statements – PA

**PO/Cabinet Secretary for Social Justice,
FMPO for awareness,**

We've been approached by Press Association in response to a [letter from the UK Statistics Authority](#) to Paul O'Kane MSP regarding the 'lifting 100,000 children out of poverty' statement.

The PA copy is below.

The below response has been cleared with Policy and Analytics colleagues, and SpAds. Is the Cabinet Secretary content to clear?

Kind regards,

[redacted – FOISA s.38(1)(b) (third party data)]

A Scottish Government spokesperson said:

“Modelling published in February estimates that Scottish Government policies will keep 100,000 children out of relative poverty this year, with poverty levels 10 percentage points lower than they would have otherwise been in the absence of these policies. This includes keeping 60,000 children out of relative poverty through investment in the Scottish Child Payment.”

Background

[Child poverty cumulative impact assessment: update - gov.scot](#)

For reference, this is PA's copy:

Potential for confusion highlighted over Government claim child poverty lowered

By [redacted – FOISA s.38(1)(b) (third party data)]

A Scottish Government claim about child poverty could lead to potential confusion, the head of the UK Statistics Authority (UKSA) has said.

Modelling by the Scottish Government earlier this year estimated 100,000 children had been kept from falling into relative poverty by policies it has enacted, such as the Scottish child payment.

But some ministers – including First Minister John Swinney and his predecessor Humza Yousaf – have claimed policies enacted by the Government are actively reducing the number of children in poverty.

In fact, the number of children in relative poverty since the SNP took office in 2007 has remained roughly stable, with the most recent figures estimating 240,000 are in the category.

Scottish Labour's Paul O'Kane reported the claims to the UKSA, accusing ministers of contradicting the modelling.

Responding to the MSP, UKSA chairman Sir Robert Chote said: "The average person hearing such a statement might well assume that the first ministers were claiming that child poverty is 100,000 lower than when the SNP took office.

"As you point out, the Scottish Government's official statistics on poverty and income inequality in Scotland conclude that the proportion of children in Scotland living in relative and absolute poverty remains broadly stable.

"Given this potential confusion, ministers would be well advised from time to time to accompany this type of claim with a reminder of the methodology underpinning it so that they are not suspected of making an unduly flattering comparison."

Sir Robert did say the modelling is a "reasonable way" of estimating the impact of the Scottish Government's policies, although he said it is "bound to be uncertain and dependent to some degree on methodological choices".

The Scottish Government and Scottish Labour have been contacted for comment.

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[redacted – FOISA s.38(1)(b) (third party data)]

UK POVERTY STATISTICS

[Out of scope]

UK POVERTY STATISTICS

25 Jun: UK Statistics Authority (UKSA) published its response to concerns from Paul O’Kane MSP that Ministers’ claims that SG policies are “lifting” 100k children out of poverty in 2024-25 are misleading. While acknowledging modelling is a “reasonable way” of estimating SG policy impact, UKSA noted people may assume the number of children in poverty had decreased by 100k since SNP took office and advised Ministers to use and describe the modelling outcomes carefully.

[Out of scope]

TOP LINES

Eradicating child poverty in Scotland is a national mission and my top priority as First Minister.

- There can be no acceptable number of children living in poverty, and I make no apology for continuing to strive to meet the stretching targets we have set.
- Modelling published in February estimates that this Government’s policies will keep 100,000 children out of relative poverty in 2024-25, with relative poverty levels 10 percentage points lower than they would have otherwise been in the absence of these policies. This includes keeping 60,000 children out of relative poverty through investment in the Scottish Child Payment.
- The UKSA letter is clear that **[QUOTE]:** “*This kind of analysis is a reasonable way to estimate the impact of Scottish Government policies on child poverty*”, and our own publication acknowledges the inherent uncertainties and impact of methodological choices.”
- We continue to allocate around £3bn a year to a range of actions which help to tackle poverty and mitigate the impacts of the cost of living crisis on households.

[Out of scope]