



Every child, every chance

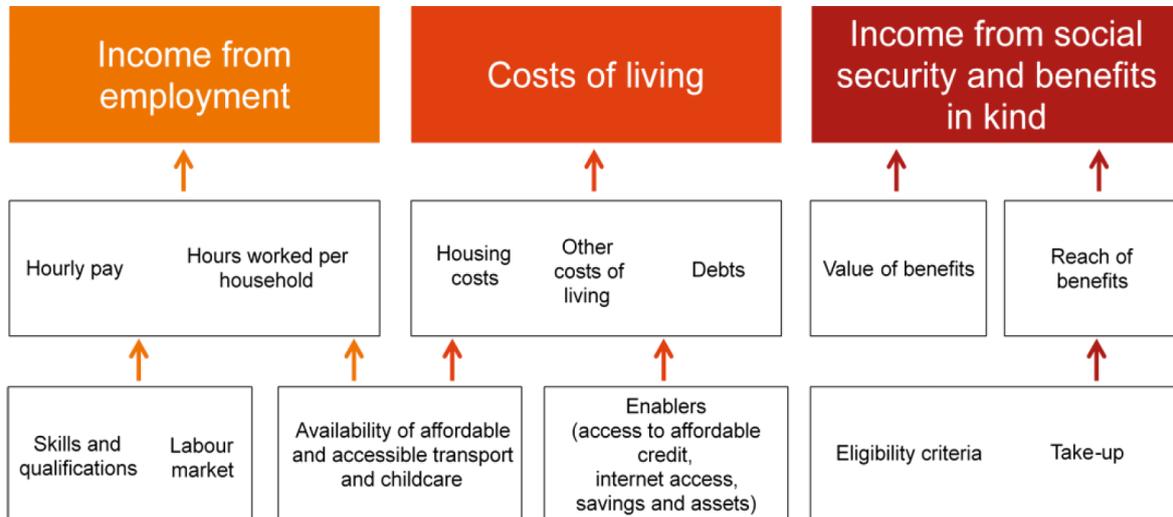
Tackling Child Poverty
Fourth year progress report 2021-22
Annex: Measurement framework



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The drivers of poverty are summarised in the diagram below. These are: income from employment, costs of living, and income from social security and benefits in kind.

Figure 1: Drivers of child poverty



The 23 indicators in the Child Poverty Measurement Framework are intended to monitor the 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. Due to the impact of COVID-19 restrictions on the data collection of many national surveys, some indicators could not be updated. Where the data is available and can be trusted to be reliable and robust, new data and trends have been added.

The table below (Table 1) summaries which indicators have been affected by COVID-19 restrictions on data collection.

Table 1: Summary of issues with latest data collected

Indicators affected	Issues	Action
Family Resources Survey		
1: Hourly pay	The FRS sample for Scotland for 2020/21, did not satisfy official statistics standards. The sample overrepresented people on higher incomes and underrepresented certain groups, such as people in receipt of Universal Credit and lone-parent families. See Family Resources Survey:	Revert to data from previous progress report
3: Hours worked		
12: Housing affordability		

Indicators affected	Issues	Action
19: Targeted reach of benefits	background information and methodology for further details	
Scottish Household Survey		
8: Childcare affordability	Methodology Change: Previously only households that indicated they paid for childcare were asked about affordability. In 2020, all parents of 0-11 year olds were asked the same question. The sample therefore includes households eligible for free childcare and is not comparable with previous reporting.	Present new data as distinct from previous years
11: Satisfaction with public transport	Base sample too small to report for low income households.	Revert to data from previous progress report
16: Access to affordable credit	Question asked biennially; not asked in 2020	Revert to data from previous progress report
17: No savings	Question asked biennially; not asked in 2020	Revert to data from previous progress report
18: Internet access	Base sample too small to report for low income households.	Revert to data from previous progress report
Scottish Government attainment statistics		
7: School-leavers attainment gap	The COVID-19 pandemic led to the cancellation of exams and external coursework in 2020 and 2021, and alternative approaches to the certification of SQA qualifications were used. This change in certification will have affected the attainment of some school leavers.	Present new data but clarifying where new assessment measures were introduced. Caution when comparing data for 2019/20 and 2020/21 to that from previous years
Housing Condition Survey		
13: Fuel Affordability	Survey not carried out in 2020	Revert to previous data
Healthy Living Survey		
23: Take-up of free school meals	Question on free school meal take-up not asked as most children were not in school due to the pandemic	Revert to previous data

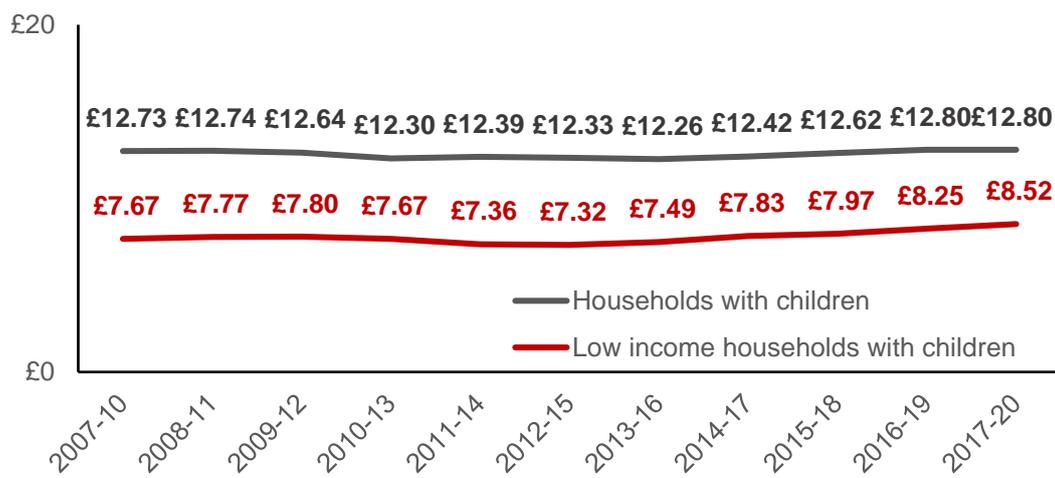
This is the last progress report where we are using this measurement framework. Going forwards, to report on [Best Start, Bright Futures](#) we have an [updated measurement framework](#) that includes new and improved data sources.

Driver: Income from employment

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. Figures for all households with children are also provided for context

Source: Family Resources Survey. To note that latest data available for FRS is for 2017-20.



How this indicator relates to the child poverty targets:

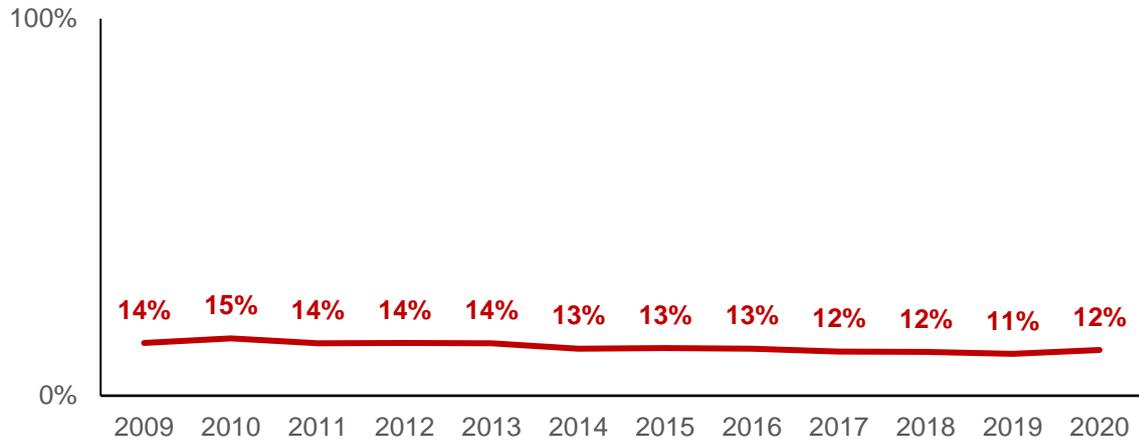
- Relative poverty ✓
- Absolute poverty ✓
- Low income + material deprivation ✓
- Persistent poverty ✓

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.

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:

Relative poverty ✓

Absolute poverty ✓

Low income + material deprivation ✓

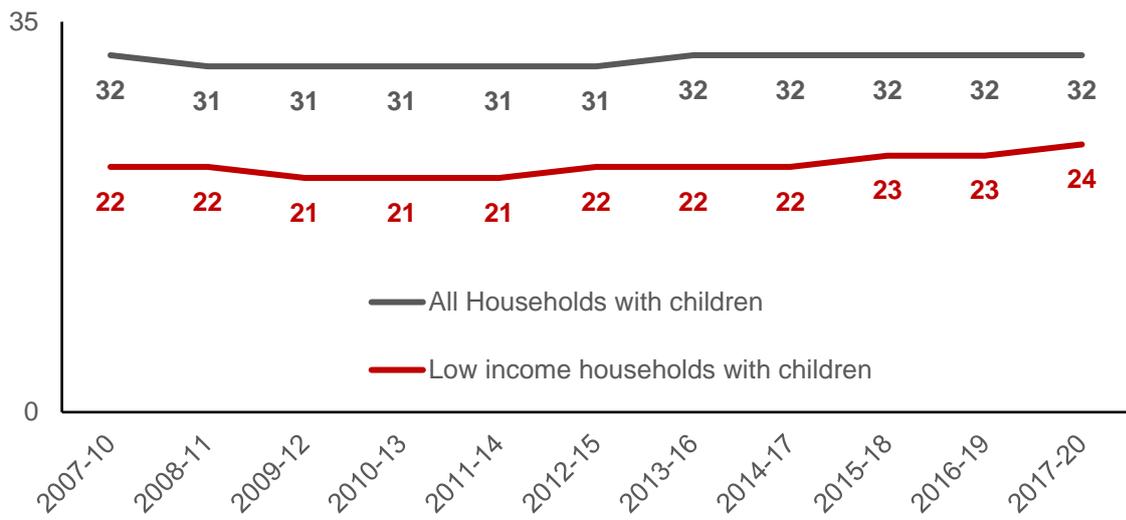
Persistent poverty ✓

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.

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. Figures for all households with children are also provided for context.

Source: Family Resources Survey. To note that latest data available for FRS is for 2017-20.



How this indicator relates to the child poverty targets:

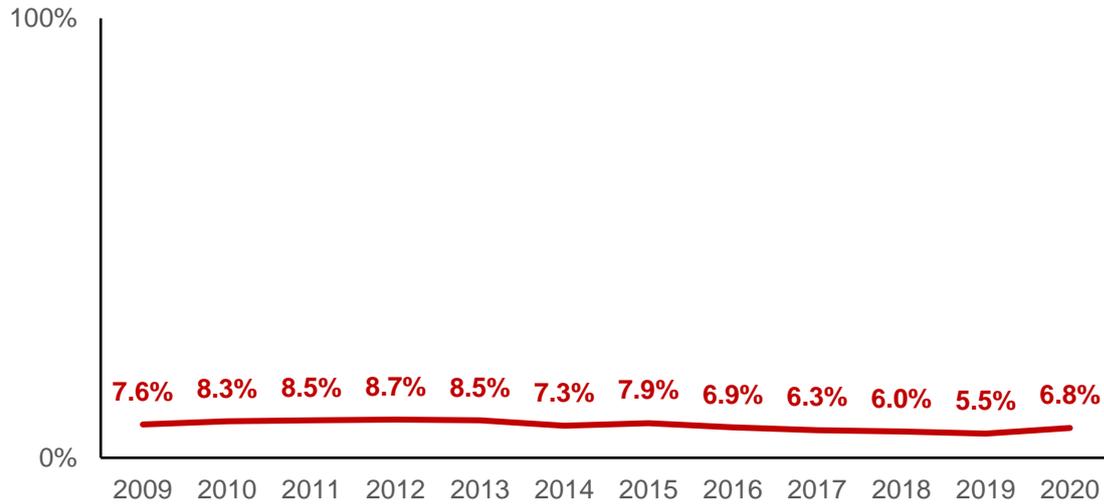
- Relative poverty ✓
- Absolute poverty ✓
- Low income + material deprivation ✓
- Persistent poverty ✓

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.

Indicator 4: Under-employment

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:

Relative poverty ✓

Absolute poverty ✓

Low income + material deprivation ✓

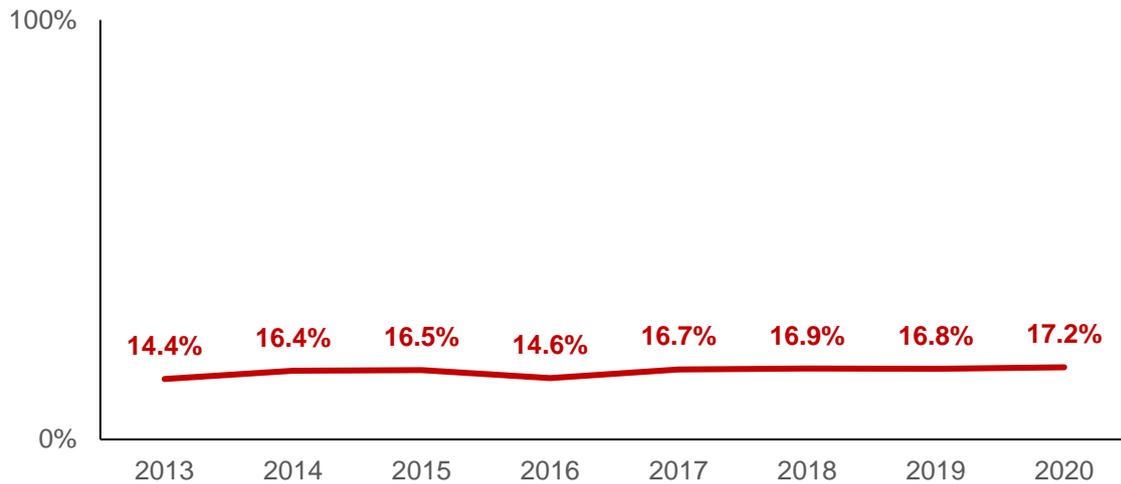
Persistent poverty ✓

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.

Indicator 5: Underutilisation 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:

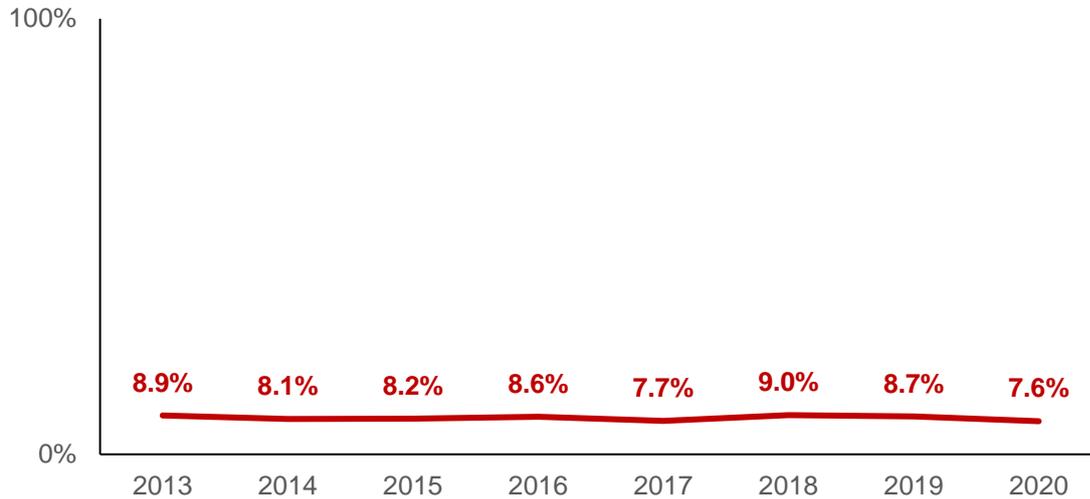
- Relative poverty ✓
- Absolute poverty ✓
- Low income + material deprivation ✓
- Persistent poverty ✓

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.

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:

Relative poverty ✓

Absolute poverty ✓

Low income + material deprivation ✓

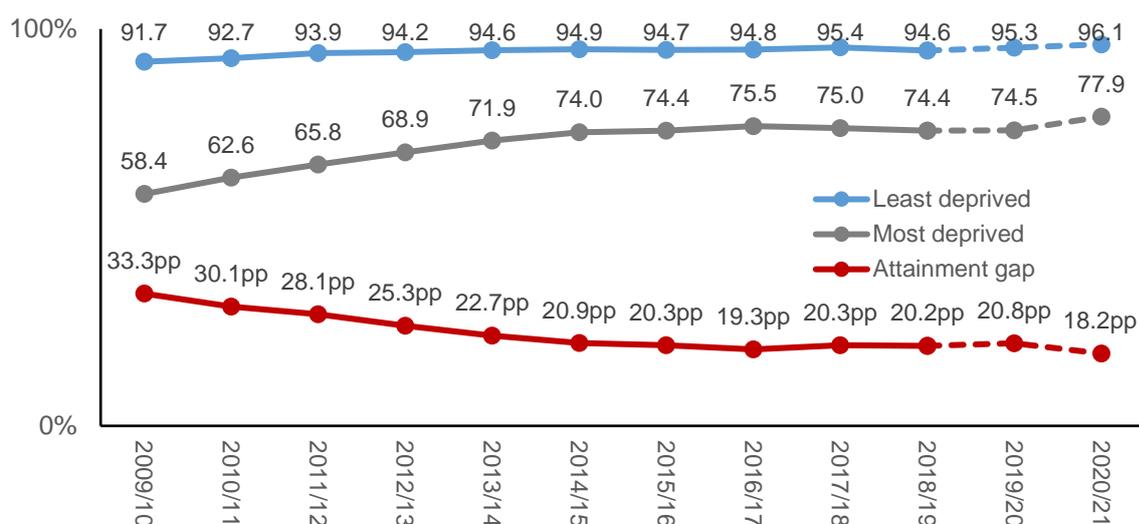
Persistent poverty ✓

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.

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 better.¹

Source: Scottish Government attainment statistics. Broken line represents changes in assessment due to COVID-19.



How this indicator relates to the child poverty targets:

Relative poverty ✓

Absolute poverty ✓

Low income + material deprivation ✓

Persistent poverty ✓

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.

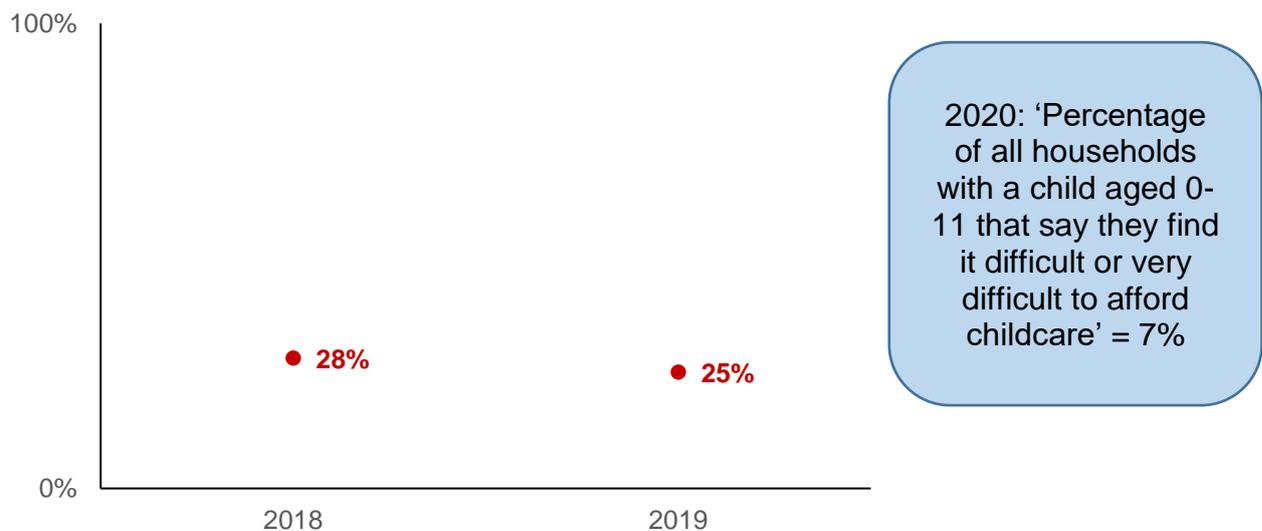
¹ The COVID-19 pandemic led to the cancellation of exams and external coursework in 2020 and 2021, and the use of alternative approaches to the certification of SQA qualifications. This change in certification will have affected the attainment of some school leavers. Caution should be used when comparing data for 2019/20 and 2020/21 to that from previous years.

Driver: Costs of living

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 childcare.²

Source: Scottish Household Survey. Question asked of all households with children 0-11 in 2020, rather than just those who said that they paid for childcare (previous years). Therefore 2020 sample includes parents accessing childcare for free.



How this indicator relates to the child poverty targets:

Relative poverty ✓

Absolute poverty ✓

Low income + material deprivation ✓

Persistent poverty ✓

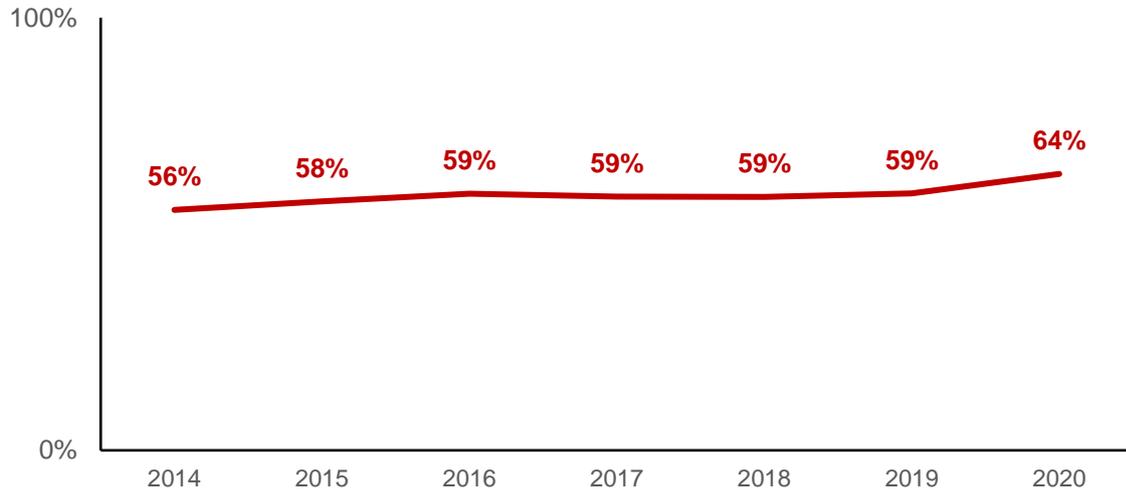
Childcare can be a significant cost for households with children. And a lack of affordable childcare can limit opportunities for paid employment

² Figures for 2018 and 2019 reflect the affordability of childcare for households with a child aged between 0 and 11 years old and are paying for some type of childcare. They do 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. In 2020, this question was asked of *all* households.

Indicator 9: Childcare open in 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:

Relative poverty ✓

Absolute poverty ✓

Low income + material deprivation ✓

Persistent poverty ✓

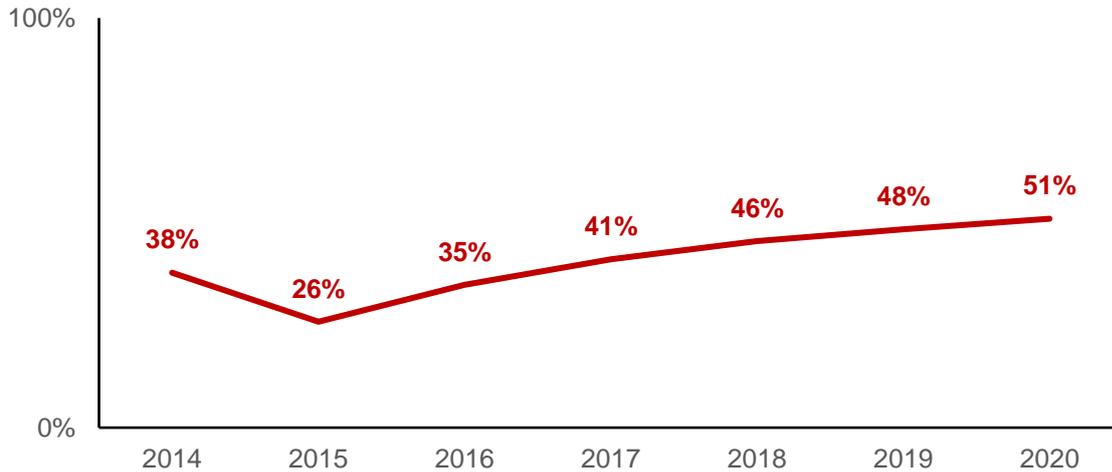
A lack of childcare availability during the school holidays can limit opportunities for paid employment.

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.

Indicator 10: Childcare available outside of 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:

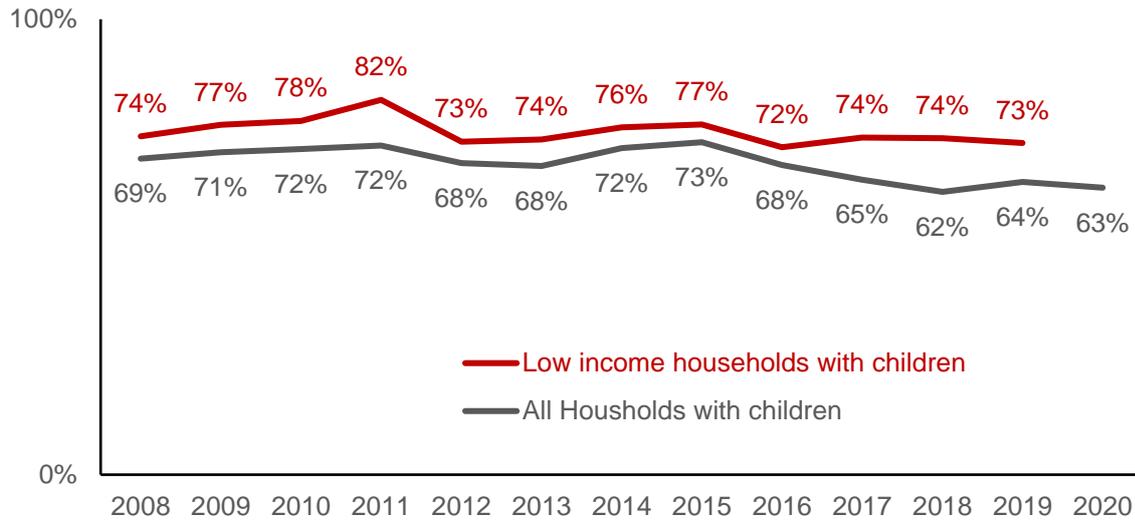
- Relative poverty ✓
- Absolute poverty ✓
- Low income + material deprivation ✓
- Persistent poverty ✓

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

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. Figures for all households with children are also provided for context.

Source: Scottish Household Survey. Sample size for low income households with children is too small for 2020, and therefore presenting data up to 2019. Figure for all households with children updated below.



How this indicator relates to the child poverty targets:

Relative poverty ✓

Absolute poverty ✓

Low income + material deprivation ✓

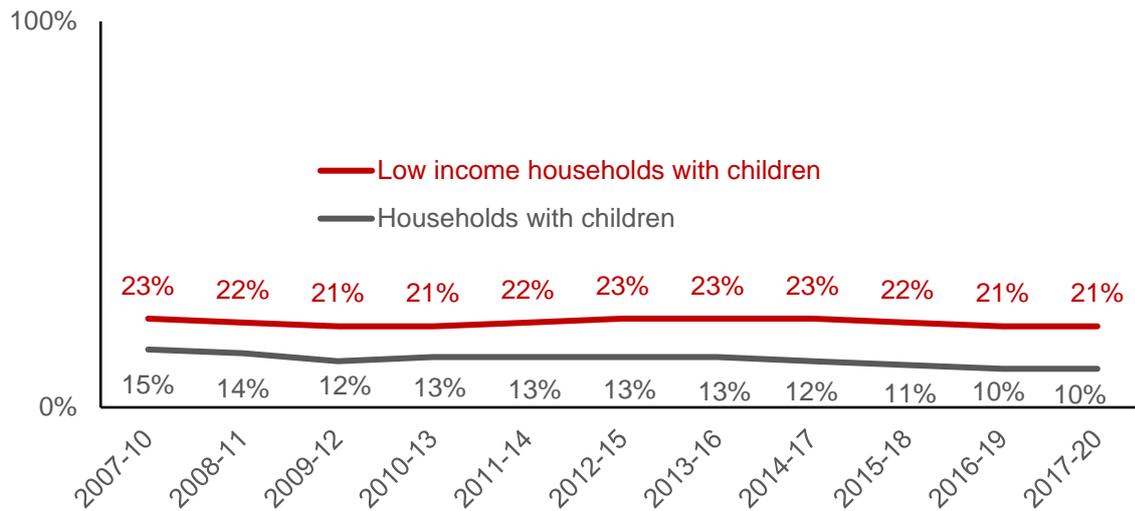
Persistent poverty ✓

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.

Indicator 12: Housing affordability

Percentage of income spent on housing by low income households (bottom three income deciles) with children. Figures for all households with children are also provided for context.

Source: Family Resources Survey. To note that latest data available for FRS is for 2017-20.



How this indicator relates to the child poverty targets:

Relative poverty

Absolute poverty

Low income + material deprivation ✓

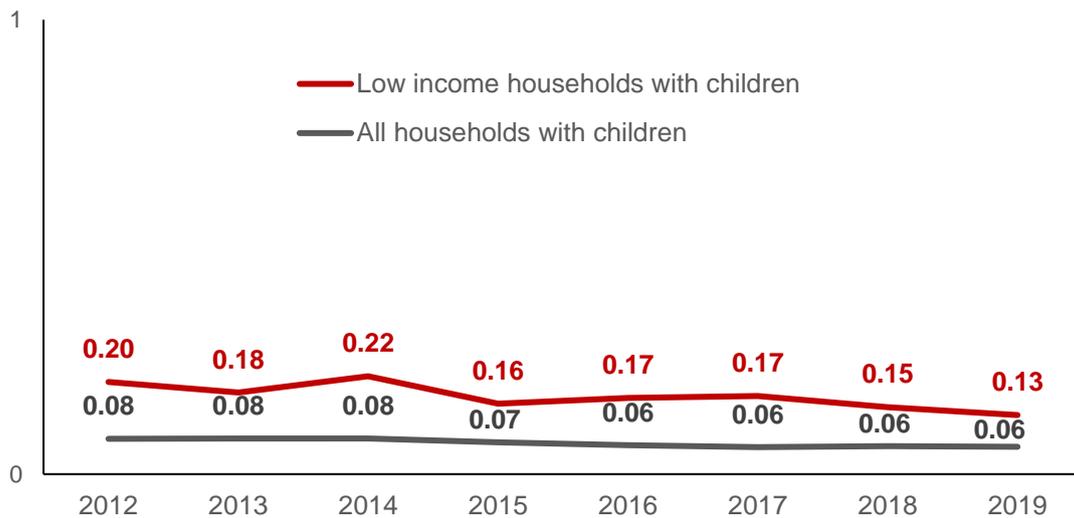
Persistent poverty

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.

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 Survey⁴. Scottish House Condition Survey not carried out in 2020. This report therefore reverts to previous data in 2019.



How this indicator relates to the child poverty targets:

Relative poverty

Absolute poverty

Low income + material deprivation ✓

Persistent poverty

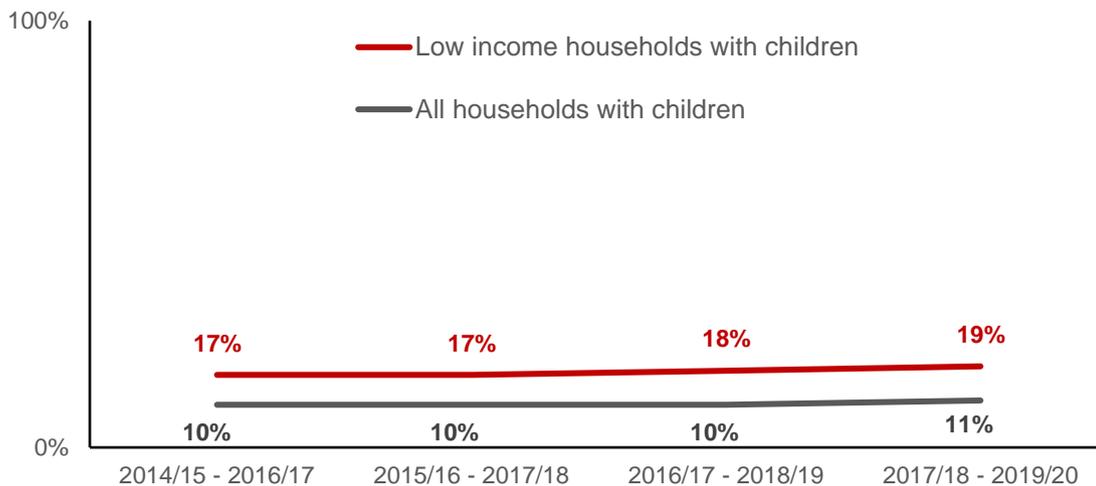
Fuel costs are not deducted from income for the purposes of determining whether a household is in income poverty. They do, however, affect the risk of material deprivation, as families spending a greater percentage of their income on fuel will be less likely to afford essential goods and services.

⁴ 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.

Indicator 14: Food affordability

Percentage of income spent on food and non-alcoholic drinks by low income households (bottom three income deciles) with children. Figures for all households with children are also provided for context.

Source: Living Costs and Food Survey



How this indicator relates to the child poverty targets:

Relative poverty

Absolute poverty

Low income + material deprivation ✓

Persistent poverty

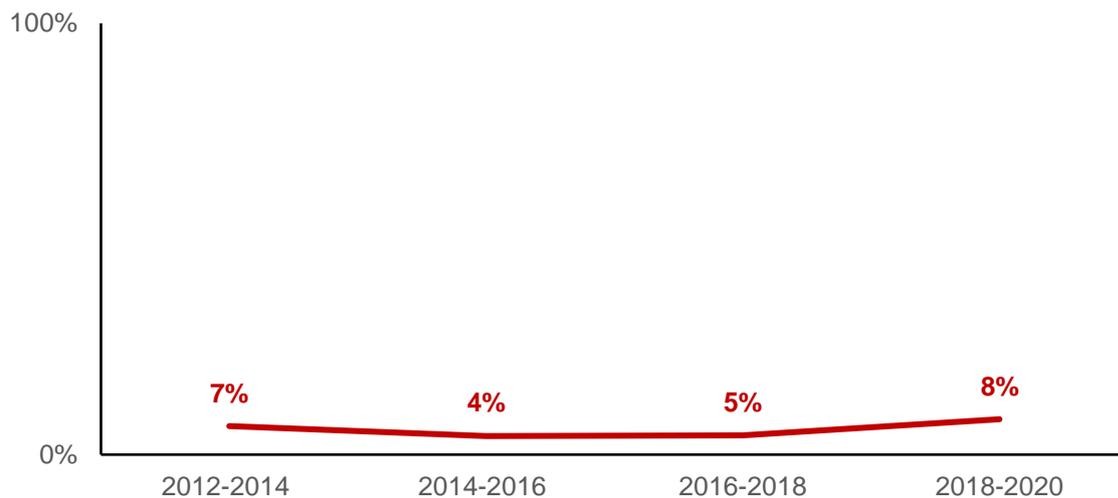
Food costs are not deducted from income for the purposes of determining whether a household is in income poverty. They do, however, affect the risk of material deprivation, as families spending a greater percentage of their income on food will be less likely to afford essential goods and services.

Driver: Debt

Indicator 15: Unmanageable debt

Percentage of households with children in unmanageable debt.⁵

Source: Wealth and Assets Survey



How this indicator relates to the child poverty targets:

Relative poverty

Absolute poverty

Low income + material deprivation ✓

Persistent poverty

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.

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

a) 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

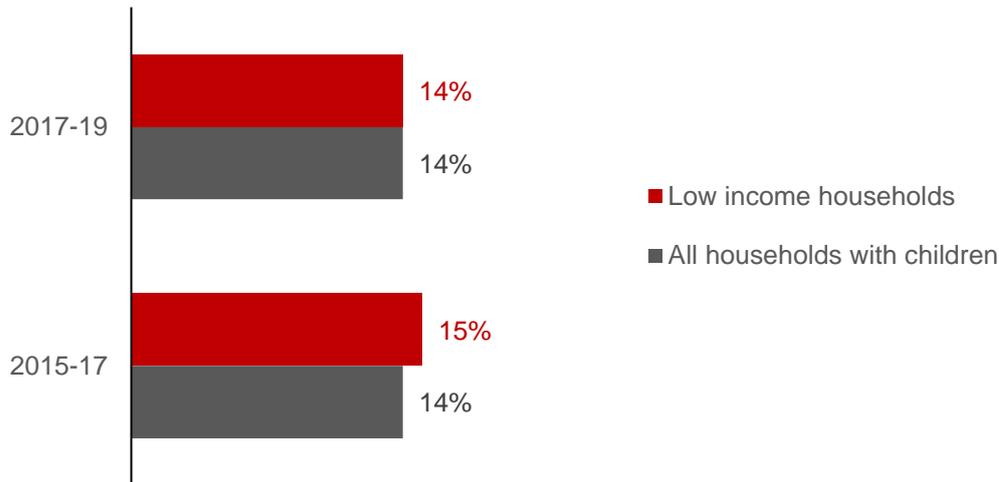
b) at least one adult in the household is currently in two or more consecutive months arrears on bills or credit commitments AND at least one adult in the household reports falling behind with bills or credit commitments

c) household debt represents at least 20% of net annual income AND at least one adult considers their debt a heavy burden

Indicator 16: Access to affordable credit

Percentage of low income households (bottom three income deciles) with children that have used high cost credit in the past 12 months.⁶

Source: Scottish Household Survey. This question was not asked in the Scottish Household Survey 2020. As such, latest data continues to be for 2017-19.



How this indicator relates to the child poverty targets:

Relative poverty

Absolute poverty

Low income + material deprivation[✓]

Persistent poverty

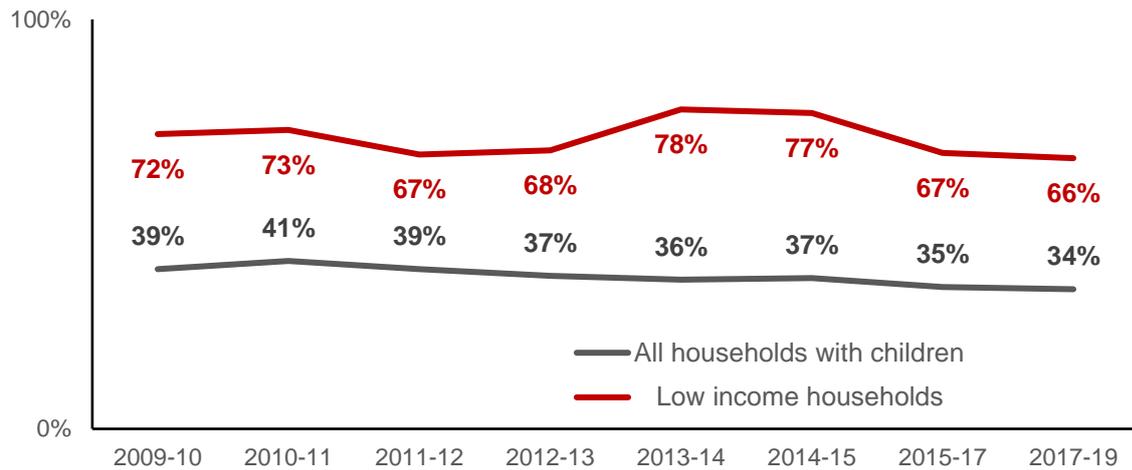
Access to affordable credit can protect against problem debt and material deprivation. It acts as a buffer against unexpected costs (e.g. replacing a broken washing machine) and fluctuations in income.

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.

Indicator 17: No Savings

Percentage of low income households (bottom three income deciles) with children that have no savings. Figures for all households with children are also provided for context.

Source: Scottish Household Survey. This question was not asked in the Scottish Household Survey 2020. As such, latest data continues to be for 2017-19.



How this indicator relates to the child poverty targets:

Relative poverty

Absolute poverty

Low income + material deprivation ✓

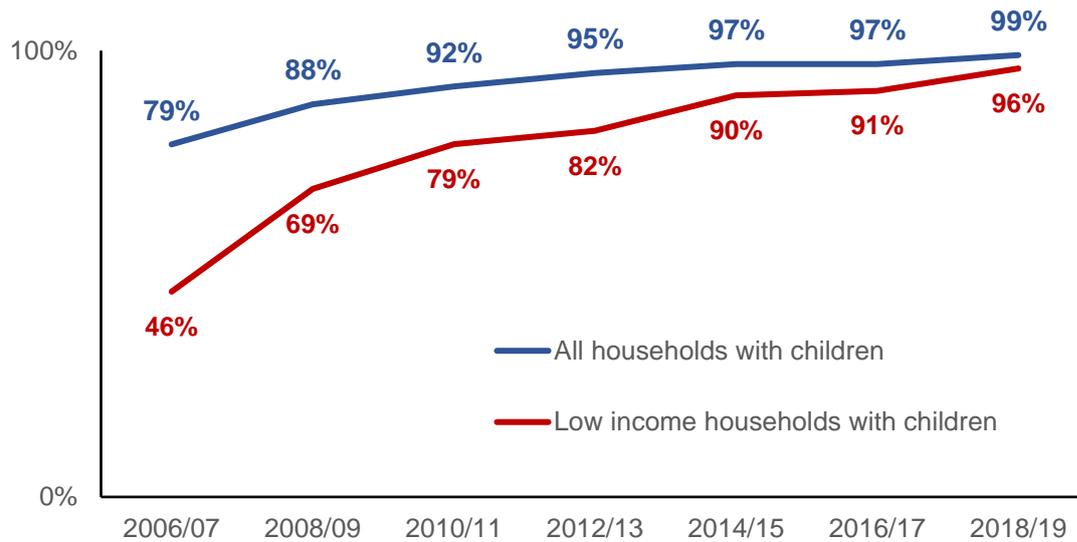
Persistent poverty

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.

Indicator 18: Internet Access

Percentage of low income households (bottom three income deciles) with children that have home internet access. Figures for all households with children are also provided for context.

Source: Scottish Household Survey. Sample size for low income households with children is too small for 2020, and therefore presenting data up to 2019.



How this indicator relates to the child poverty targets:

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

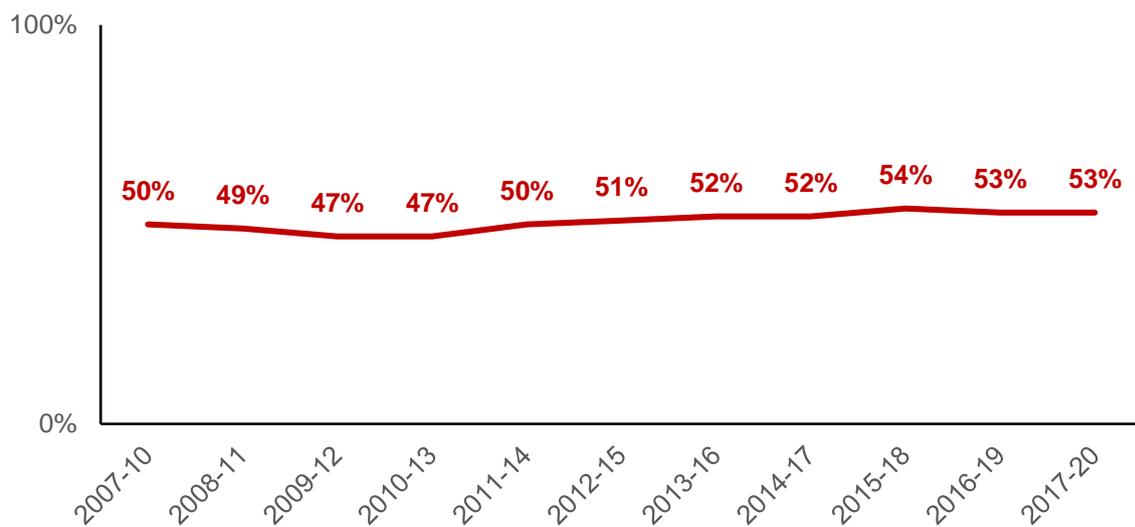
Access to the internet allows opportunities to find lower-cost financial products and services, online banking, price comparison sites and online deals. Internet access and digital literacy also increase people's chances of accessing jobs and getting the benefits they are entitled to.

Driver: Income from Social Security and Benefits in-kind

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. To note that latest data available for FRS is for 2017-20.



How this indicator relates to the child poverty targets:

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

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

Driver: Value of benefits

Indicator 20: Value of out of work benefits

Real terms value (£/per week in 2021 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:

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

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

Indicator 21: Value of in-work benefits

Real terms value (£/per week in 2021 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:

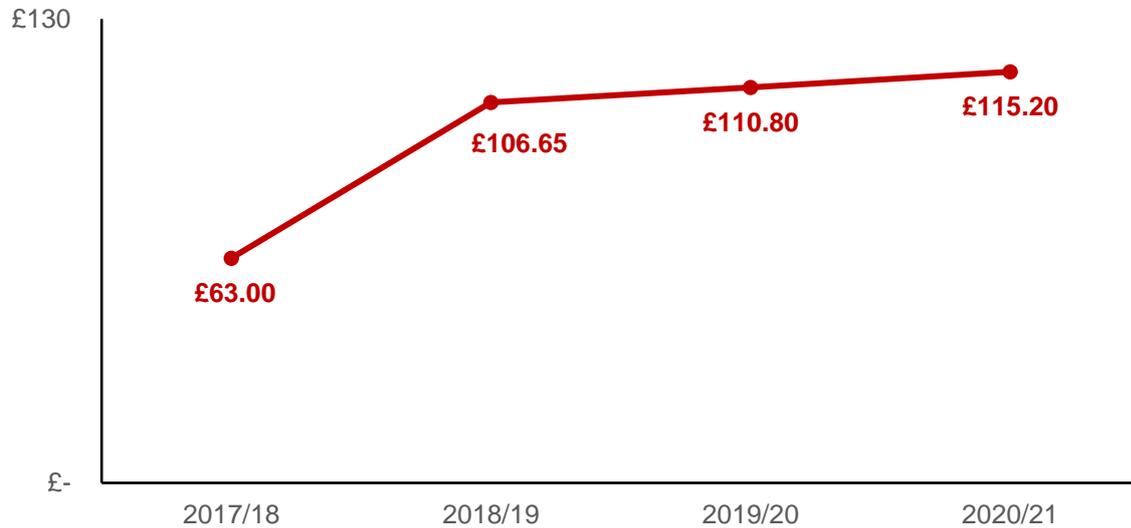
- Relative poverty ✓
- Absolute poverty ✓
- Low income + material deprivation ✓
- Persistent poverty ✓

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

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 01



How this indicator relates to the child poverty targets:

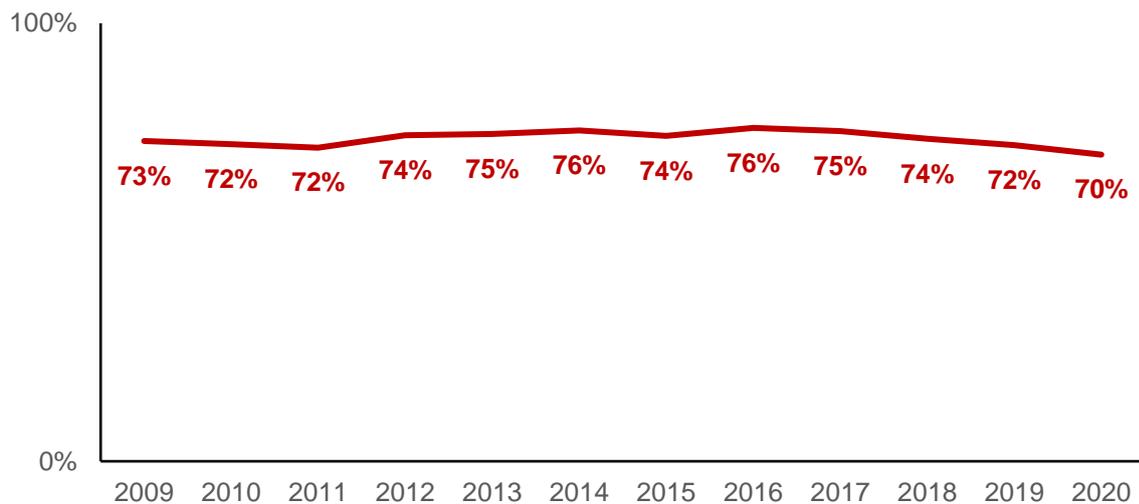
- Relative poverty ✓
- Absolute poverty ✓
- Low income + material deprivation ✓
- Persistent poverty ✓

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

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. The 2021 Healthy Living survey did not collect any data on school meals due to school buildings being closed to pupils at the time of the survey because of COVID-19.



How this indicator relates to the child poverty targets:

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

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.



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