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Introduction

The <u>Child Poverty (Scotland) Act 2017</u> requires the Scottish Government and its partners to meet, by 2030, four poverty targets. In order to meet these targets, the Scottish Government is required to produce three delivery plans in the period to 2030, setting out action to delivery progress. In addition, annual reports are published summarising ongoing progress.

The <u>evaluation strategy</u> sets out how we assess progress against the targets. In brief, the current evaluation approach consists of:

- monitoring child poverty levels annually both for all, and for each of the priority family types most at risk of poverty
- annually monitoring the drivers of child poverty through the framework
- evaluating the impact of policies on child poverty, both individually and in combination
- gathering and analysing evidence on the priority groups through focus reports

In the latest <u>evaluation strategy</u> we committed to reviewing the reporting approach for priority family types. This report discusses the findings of this review. With the aim of supporting stakeholders working in child poverty policies, this report also explains how best to utilise the priority family concept and recommends actions for future analysis and reporting of issues faced by the priority groups.

Aim and approach of the review

The aim of this review is to report on the position of priority families in regards to available evidence, and data on the causes of poverty and effective measures to tackle it.

In order to meet this aim, we consider both the role of supporting qualitative evidence and information, and the contribution and availability of quantitative data.

Firstly, from a **qualitative** perspective, this report re-explores the concept of the priority family types looking back at why they were developed and how they were intended to be used. The report also summarises the current approach to reporting and available evidence on priority family types.

Secondly, to consider the availability of **quantitative** data, the review assessed data sources for each indicator part of the <u>measurement framework</u>, exploring frequency of data, demographic information, sample sizes and viability of sub samples. Lead analysts for each relevant survey reviewed the data used for each of the indicators to assess the viability of providing priority family breakdowns for these indicators.

Through the review, we identified more general issues or barriers to producing valid, reliable data at priority family level. For some indicators, some breakdowns are possible, however, the overall picture is inconsistent and regularly updating the entire framework for each of the priority groups is simply not possible. In any case, the overall usefulness of such an approach needs, also, to be considered.

Approach to reporting evidence by priority family types

This section of the reports summarises and assess the current approach to reporting evidence on priority family types. In the first section it explores the concept of priority family types, who they are and how to use the concept. Then, the next chapter summarises available data at priority family type level.

Priority families - who are they and how to use the concept

This section of the report re-explores the concept of the priority family types looking back at why they were developed and how they were intended to be used. This section also summarises the current approach to reporting and available evidence on priority family types.

Who are the priority families?

Using data from the Family Resources Survey (FRS) and the longitudinal household study Understanding Society, six household characteristics have been identified with a higher risk of child poverty. These groups have been identified using available data, and taken together cover the majority of households in poverty:

- Families with a child under one
- Families with 3 or more, children
- Lone parent families (mainly head by women)
- Young parents (using data for households where the mother is under 25)
- Minority ethnic families
- Families with a disabled member.

Every household circumstance is different. There will be some children experiencing poverty even though none of the above apply to their situation. There will also be children living in families where many of these factors apply, yet they do not live in poverty.

How to use the concept of priority families

The purpose in identifying these priority household groups is to better understand the particular factors that contribute to people's experience of poverty, or that prevent their situation from improving.

The evidence can help make sure that policies and initiatives that aim to tackle child poverty are designed to be responsive to people's circumstances and are as impactful as possible. For example, the concept of priority families is helpful for ensuring that a policy considers the additional challenges or barriers that a family with three or more children will face.

Analysis of the six priority groups is meant to provide a focus when designing interventions, however, the groups were not intended to be used as a means of targeting for policies. It is less about defining an eligibility criteria for a policy that reaches that specific family type; the aim is about tackling child poverty in general.

While the six household groups identified are at greater risk of child poverty, this does not mean that all, or even most, of the people belonging to one of the groups will be in poverty. Therefore targeting a particular group risks pigeon-holing everyone within that group and may also mean that people falling outwith the priority groups, but who are in poverty, do not get the support they need.

In most cases, the factors driving child poverty are similar for all of the priority groups and policies designed to alleviate poverty will not exclusively benefit a discrete group. For instance, our research indicates that minority ethnic families are more likely to be in unmanageable debt than other families, therefore an intervention to reduce personal debt may disproportionately benefit minority ethnic families, but would not be to their exclusive benefit, as debt is a more general issue that affects people on low incomes and makes it hard for people to escape poverty.

Reporting approach for priority family types

Available evidence

The Scottish Government conducts a range of research and analysis on child poverty and in relation to the six priority household groups.

The <u>Poverty and Income Inequality report</u> is a statistical release that includes the overall child poverty rates in Scotland, as well as breakdowns for the priority household groups. Further to this, government statisticians publish ad hoc <u>additional child poverty analysis</u> in which further, and more detailed, statistical data are provided.

Since the <u>first tackling child poverty delivery plan</u> was published in 2018, the Scottish Government has produced a series of 'focus reports' that provide in-depth analysis of each of the priority household groups. The reports make recommendations, based upon the evidence presented, of the kind of support that would be most beneficial, and how this support can best accommodate the needs of the priority group. The focus reports look at the experiences of people in the priority groups in relation to the 'drivers' of child poverty (income from employment, income from social security/benefits in kind, and the cost of living). The following are all available to access online:

- Focus report Minority ethnic families 2019
- Focus report Larger families (3+ children) 2019¹
- Focus report Lone parent families 2020
- Focus report Families with a disabled adult or child 2021
- Focus report Mothers under 25 2022
- Focus report Families with a baby 2022

Having produced a focus report for each of the priority household groups, and in recognition of recent inflationary pressures, the 2023 focus report is concentrating on the effects of the cost of living crisis for all groups, and this will be published alongside the main progress report in June 2023. Going forwards, the focus reports will resume the cycle of assessing any new evidence available and update data for each of the six priority family types.

In addition to the focus reports, a slide pack providing an overview of updated evidence relating to the priority family groups has been produced which consolidates existing information. The current version online will be updated following publication of the progress report in June 2023. <u>Tackling child poverty priority families overview-gov.scot</u> (www.gov.scot).

Furthermore, to support the development of the second tackling child poverty delivery plan, 'Best Start, Bright Futures', Scottish Government analysts produced a what works report highlighting policy options for each of the six priority family groups.

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¹ Produced by NHS Health Scotland

This review allowed Scottish Government analysts to assess the current level of available data at priority family level. Overall, we believed that the approach taken through the latest evaluation strategy provides a good compromise between availability and usability of the data at hand.

For transparency and completeness, the following sections explore the current approaches to quantitative data and the issues to consider. Specifically around statistics for the child poverty targets and the detailed update on the measurement framework indicators.

Child poverty targets

Progress towards the four child poverty targets are reported from data available on the Family Resources Survey (for relative poverty, absolute poverty, and low income and material deprivation) and on Understanding Society (for persistent poverty).

Progress towards the targets is reported annually. Scottish Government has funded a 100% boost to the Scottish Family Resources Survey sample since the early 2000s, which before the pandemic resulted in an achieved sample size of just over 3,000. It should be noted that response rates to surveys have been falling for quite some time now, exacerbated by restrictions imposed during the pandemic, which highlights the importance for an enhanced and effective use of the full range of available sources of evidence to properly assess the impact of actions to reduce levels of child poverty.

Analysts will take stock of survey response rates and the full range of evidence as we look forward to reporting on the interim and final child poverty targets. We will also take account of long-term developments in survey methodologies being explored by a range of survey commissioners adapting to declining participation.

Measurement framework review

As part of the review, analysts explore the range of data sources that report on the indicators of the measurement framework. There are generic challenges that impact on the ability to provide indicator level data by priority family type. Therefore, instead of providing a breakdown of reasons for each specific indicator, the section below explains the common challenges faced, with some examples of where this would be relevant.

The main challenges are: sample size, applicability and contextual circumstances. Taking each one of those in turn.

a) Sample sizes

The most significant technical barrier to providing reliable, regular data updates for each of the priority household groups is achieving satisfactory sample sizes. We will continue to publish data as part of the focus reports on each of the priority family types. Sometimes, base sizes do not allow for detailed analysis. For over half of the indicators where breakdowns are possible, at least three years of survey data would be required to reach a minimally viable sample size. Even with multiple years combined, sample sizes may still be relatively small which means there is a greater margin for error and we can have less confidence in how representative the data is, and in differences observed over time.

Generally, combining annual data is helpful to minimise seasonal factors that may affect the data and provide a more accurate view of long-term trends. However, combining multiple years of data means that it is more difficult to monitor year-on-year change, which the measurement framework aims to do, as the most recent available data is mediated by previous years. For example, the effects of the recent spike in inflation would be underestimated when looking at data on the costs of living.

Furthermore, sample sizes can fluctuate over the years. Weighting techniques help smooth these sample size differences. But still, confidence intervals of smaller sample sizes are wider, meaning that less confidence that an observed change in an indicator is real.

Even with combining multiple years of data, some of the priority groups still do not constitute an adequate sample size which means most indicators in the framework could only ever be partially updated and reporting would be inconsistent. Households with a mother under 25 or with a child under 1 represent smaller proportions of indicator data than, for instance, households with a disabled person. This means that we might be able to achieve a sufficient sample size of households with a disabled person by combining 3 years of data, but the same methods would not provide the requisite number of households with a mother under 25. Analysis of these groups could not be included in the most recent Poverty and Income Inequality report because sample sizes were too small.

b) Applicability

Some of the indicators in the framework are simply not amenable to breakdowns by demographic characteristics. For example, the proportion of childcare services that are open in the holidays or outside of school hours, and the real-terms value of specific benefits. These indicators measure resources; they do not show proportions of people affected and so cannot be broken down by specific characteristics.

c) Contextual circumstances

There are also important differences within each of the 6 groups identified, particularly for the 'minority ethnic' priority group which comprises all groups outside of the majority white British population. Variations in outcomes between ethnic groups are hidden when all groups are treated together, masking a wide range of experiences. For instance, the likelihood of being in a lone parent family is higher for those from an African or Caribbean background than it is for Indian families².

² lone parent families by ethnic group - ONS (data for England and Wales)

Conclusion: future analysis and reporting

The current evaluation approach considers a careful balance of available data and evidence at priority family type level, combining both qualitative evidence and quantitative statistics. Overall, the approach appears to maximise utilisation of current resources.

There are some limitations, however, on the ability to produce detail sub-group analysis at priority family type level, which are becoming more challenging as survey response rates are depressed compared to historic levels. These limitations impact the frequency of reporting possible for the child poverty targets, as well as for the measurement framework indicators.

To improve on our ability to assess progress and understand challenges faced by priority family groups, Scottish Government will keep the efficacy of quantitative data under review to identify solutions for delivering the most-effective assessment ahead of the 2030-31 target reporting. Quantitative data will remain one part of the suite of evidence that we will use to identify and explain outcomes among priority groups.

From our <u>overview</u> of the issues facing the priority groups, there is already a good understanding of the structural barriers experienced by these groups, and what needs to be done to mitigate those barriers. The challenge going forward will be to evidence how this knowledge is being implemented in practice at national and local level, and what impact that is having.

In the short term, the overarching evaluation approach will continue to focus on assessing and tracking priority family types via:

- monitoring child poverty levels annually both for all, and for each of the priority family types most at risk of poverty
- annually monitoring the drivers of child poverty through the framework
- evaluating the impact of policies on child poverty, both individually and in combination
- gathering and analysing evidence on the priority household groups through annual focus reports that present evidence and commentary on key areas of interest including the measurement framework.

| How to access background or source data | |
|---|--------|
| The data collected for this social research publication: ☐ are available in more detail through Scottish Neighbourhood Statistics | |
| □ are available in direct links within this publication | |
| $\hfill\square$ may be made available on request, subject to consideration of legal and eth factors. Please contact <email address=""> for further information.</email> | ical |
| \Box cannot be made available by Scottish Government for further analysis as Scovernment is not the data controller. | ottish |



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