

**CHILD POVERTY IN SOCIAL INCLUSION
PARTNERSHIPS**

**Peter A. Kemp
University of York**

**Jo Dean and Daniel Mackay
University of Glasgow**

**Scottish Executive Central Research Unit
2002**

Further copies of this report are available priced **£5.00**. Cheques should be made payable to The Stationery Office Ltd and addressed to:

The Stationery Office Bookshop
71 Lothian Road
Edinburgh
EH3 9AZ

Tel: 0870 606 5566

Fax: 0870 606 5588

The views expressed in this report are those of the researchers and do not necessarily represent those of the Department or Scottish Ministers.

© Crown Copyright 2002

Limited extracts from the text may be produced provided the source is acknowledged. For more extensive reproduction, please write to the Chief Research Officer at the Central Research Unit, 3rd Floor West Rear, St Andrew's House, Edinburgh EH1 3DG

ACKNOWLEDGEMENTS

The authors would like to express thanks to all of the people who helped us with this research project. We are grateful to the people working in Social Inclusion Partnerships who kindly gave up their time to be interviewed. And we would like to thank the members of project advisory group, and our project managers in the Scottish Executive, Dr Susan Lilley and Dr Rebekah Widdowfield. Julie Morgan in the Department of Urban Studies transformed the report into CRU house style. Jonathan Bradshaw provided advice and inspiration.

CONTENTS

SUMMARY OF FINDINGS	I
CHAPTER ONE INTRODUCTION	1
SOCIAL JUSTICE AND CHILD POVERTY	1
RESEARCH AIMS	2
METHODS	2
STRUCTURE OF THE REPORT	4
CHAPTER TWO CHILD POVERTY IN CONTEXT	5
THE GROWTH OF CHILD POVERTY	5
REASONS FOR THE GROWTH OF CHILD POVERTY	5
CONSEQUENCES OF CHILD POVERTY	6
ENDING CHILD POVERTY	7
CONCLUSION	8
CHAPTER THREE CHILD POVERTY IN SCOTLAND	9
INTRODUCTION	9
SCOTLAND COMPARED	9
THE INCIDENCE OF CHILD POVERTY	10
THE COMPOSITION OF CHILD POVERTY	12
THE GEOGRAPHY OF CHILD POVERTY	16
THE ODDS OF CHILDREN BEING IN POVERTY	18
CONCLUSIONS	21
CHAPTER FOUR CHILD POVERTY IN SOCIAL INCLUSION PARTNERSHIPS	23
INTRODUCTION	23
CHILDREN IN SIPS: HOW DIFFERENT?	23
THE COMPOSITION OF CHILD POVERTY IN SIPS	25
THE ODDS OF CHILDREN BEING POOR IN SIPS	29
CONCLUSIONS	31
CHAPTER FIVE TACKLING CHILD POVERTY IN SOCIAL INCLUSION PARTNERSHIPS	32
DEFINING CHILD POVERTY	32
THE CASE STUDY SIPS	35
THE RANGE OF CHILD POVERTY INITIATIVES	37
A TYPOLOGY OF CHILD POVERTY INITIATIVES	39
GAPS IN SERVICES	43
SUMMARY	50
CHAPTER SIX CONCLUSIONS	51
CHILD POVERTY IN SCOTLAND	51
CHILD POVERTY IN SIPS	52
TACKLING CHILD POVERTY IN SIPS	53
RECOMMENDATIONS AND ISSUES ARISING FROM THE RESEARCH	54
REFERENCES	56
APPENDIX ONE DEFINING INCOME	58
APPENDIX TWO SOCIAL INCLUSION PARTNERSHIPS AND ELSEWHERE COMPARED	68
APPENDIX THREE QUALITATIVE RESEARCH METHODS	71

SUMMARY OF FINDINGS

Background

1. Child poverty has increased dramatically in recent decades in Britain, rising from one in ten children in 1968 to one in three in 1995/96. Although the proportion of children living in poor households has fallen slightly since then, it remains very high in comparison with other countries in the European Union.

2. In 1999, the Prime Minister committed the Government to halve child poverty over the next ten years and abolish it within a generation. Meanwhile, as part of its social justice agenda, the Scottish Executive has also pledged to defeat child poverty and set milestones for doing so.

3. A range of measures has been introduced at both local and national level in order to tackle child poverty. In Scotland, many of these initiatives are located in and funded through the Social Inclusion Partnerships (SIPs) set up by the Scottish Executive. SIPs are multi-agency partnership bodies made up of representatives from the statutory sector (such as local authorities and health boards), the voluntary sector, community representatives, and the private sector. Their task is to co-ordinate activities to promote social inclusion, prevent social exclusion, develop innovative models of working and fund local projects that fit local priorities. SIPs themselves have relatively modest budgets, which are regarded as a lever to pull down funding from other sources, including the mainstream budgets of public service partners.

Child Poverty in Context

4. Income inequality in Britain has risen since the late 1970s, particularly among families with children. Between 1968 and 1995/96, child poverty in Britain trebled: over this period, the proportion of children living in poor households rose from one in 10 to one in three. In Scotland, the percentage of children living in households below 60 per cent of median income peaked at 34 per cent in 1996/97, since when it has reduced somewhat.

5. The most important reason for the rise in child income poverty has been the growth in worklessness – households in which no adults are in paid employment – in recent decades. In 2001, one in seven children in Scotland were living in a workless household. The growth in the proportion of children living in workless households reflects the high levels of unemployment experienced during the 1980s and 1990s; and the polarisation in employment among households with two resident parents, between those with both partners in work and those with none. Further, the tax burden faced by families with children has risen in recent decades. Since the early 1980s, social security benefits have been increased in line with prices rather than earnings and, as a result, the income of benefit recipients has fallen as a proportion of average earnings.

6. Child income poverty has also increased among children living in households where someone is in employment. Two of the most important causes of this growth in child poverty among working households are increased wage inequality and growth in part-time work.

Demographic trends such as the rise in lone parenthood have also contributed to the growth of child poverty.

7. Apart from the immediate financial effects, the evidence suggests that the outcomes of poverty for children may be far-reaching and continue into adulthood. The evidence suggests that income poverty in childhood affects, for example, educational attainment, health, income and employment later in life.

Child Poverty in Scotland

8. In 1999/2000, 29 per cent of children in Scotland were living in poor households with an income that was less than 60 per cent of the GB median. The rate of child income poverty was especially high among:

- adults with no educational qualifications
- workless households
- lone parents
- families with three or more children
- parents under 25, and
- tenants in social and private housing.

9. The rate of child poverty was particularly high among workless households – that is, households in which no adults were in paid employment or self-employment. Three quarters of all children in workless households in Scotland were living in poverty.

10. The child poverty rate was higher in urban Scotland than in rural Scotland. Glasgow accounted for a larger proportion of children in poverty than its share of all children in Scotland. Residential areas characterised as ‘disadvantaged council estates’ and ‘families in council flats’ also accounted for a large amount of children in poverty. Thus, child poverty is not evenly spread across Scotland but is disproportionately concentrated in certain types of area.

11. The odds of children in Scotland being poor varied according to family or household type, even when other factors were held constant. By far the most important determinant of child poverty was the employment status of adults in the household. When other factors were controlled for, children living with lone parents in work had lower odds of being poor than either lone parents not in work or couples where only one partner was in work. Thus, employment status was more important than family type in determining whether children were living in income poverty. These results confirm that work is the surest route out of poverty, even if – in 1999/2000 – it was not always a sufficient one.

Child Poverty in SIPs

12. The extent of child income poverty was not one of the explicit criteria used by the Scottish Executive to select bids for Social Inclusion Partnerships. Nevertheless, area-based SIPs contained a disproportionate share of the problem. In 1999/2000, SIPs accounted for 16 per cent of children in Scotland, but for 29 per cent of children experiencing income poverty.

The rate of child income poverty within SIPs was much higher than in the rest of Scotland: half of all children in SIPs were poor, compared with a quarter of children elsewhere.

13. Not only was the incidence of child income poverty much higher in SIPs than in other parts of Scotland, its composition was different. Children experiencing income poverty within SIPs exhibited more socio-economic deprivation and other indicators of disadvantage than poor children living in the remainder of Scotland. To that extent, children living in poverty within area-based SIPs were worse placed than those living elsewhere. These results provide some support for concentrating local anti-child poverty initiatives on SIPs and similarly deprived but non-designated areas.

Tackling Child Poverty in SIPs

14. SIPs aim to improve the lives of residents of designated areas, with a remit including, but not restricted to, economic change and urban regeneration. Despite the varying nature of the situations in which SIPs worked and their differing objectives, SIP managers and other respondents held a broadly similar perception of 'poverty'. But they worked with a range of definitions of 'children', in some cases because funders or statutory agencies themselves used different definitions.

15. SIPs did not generally differentiate between the causes of poverty and its impacts on children. Nor did they differentiate between child poverty and the wider poverty of the neighbourhood in which they were working. Indeed, they argued that neighbourhood effects meant that children could be affected by poverty even where their own family's income was above poverty levels. SIP respondents understood child poverty in a much broader way than simply lack of income. They also pointed to a lack of opportunity, low aspirations, and social problems (such as drug misuse, domestic violence, and anti-social behaviour) as important components of the problem of child poverty.

16. While SIP respondents considered tackling child poverty to be a fundamental part of the social inclusion agenda, few had explicitly identified it as a substantive theme of their work. The projects that they identified which helped to tackle child poverty did not necessarily have 'children' or 'poverty' as key objectives. In so far as these projects helped to prevent or alleviate child poverty, it was as a beneficial outcome of services developed for some other primary purpose.

17. To the extent that child poverty is bound up with, or cannot be isolated from, wider aspects of social exclusion, this indirect approach has considerable merit. Tackling social exclusion and disadvantage in general will inevitably help to reduce child poverty (broadly conceived) or at least to reduce the impact of poverty. Nevertheless, it appears that SIPs are not at present giving strategic priority to tackling child poverty and that this may have implications for their contribution to defeating it.

18. SIP managers identified a wide range of gaps in local services that could have an impact upon child poverty. The most frequently mentioned included a shortage of suitable, well-paid employment opportunities, deficiencies in childcare, inadequate public transport, and insufficient funding for mainstream health, education and social work services. The Scottish Executive has announced commitments to substantial increases in expenditure on health, education and transport, which should help to reduce many of the gaps identified.

Recommendations

19. While the rate of child poverty was much higher in SIPs than elsewhere, the majority of poor children in Scotland were not living within the boundaries of an area-based SIP. Actions to tackle child poverty therefore need to reach poor children wherever they are living and not just those living in deprived areas. Nevertheless, the research suggests there may be considerable merit in focusing locally-based efforts to defeat child poverty on areas of acute social and economic deprivation such as SIPs. Not only is the rate of child poverty particularly high in SIPs (and probably in similarly deprived but undesignated areas), but poor children face a worse start in life there than do poor children elsewhere.

20. Although SIPs were playing an important role in the battle against child poverty, it was not an explicit one. Instead, it was more of a positive by-product of the work they were doing to tackle socio-economic deprivation and disadvantage more generally. The Scottish Executive might therefore wish to consider whether SIPs should be given an explicit goal of targeting child poverty, broadly conceived, in order to make clearer and more co-ordinated progress towards the ambitious goal of defeating this problem within a generation. There is of course the danger that SIPs might suffer from goal overload – and local identification of priorities remains important – but there is equally the danger that, without such a goal, their contribution to defeating child poverty may be unfocused.

21. The Scottish Executive could also consider how it might enable SIPs and mainstream public service providers to fill the gaps identified in the case study interviews with SIPs. Particular attention could be given to gaps in provision that may be creating barriers to SIP residents taking up work opportunities - such as childcare (cost, quality and availability) and transport (again, cost, quality and availability). These efforts could focus especially on improving provision outside of 9 to 5 office hours and at weekends, when childcare and public transport may be difficult to access or be very limited in availability.

Research Methods

22. The research involved two main components. The first comprised analysis of data from (1) the Scottish Household Survey (SHS) for 1999 and 2000 and (2) Households Below Average Income (HBAI) data for 1999/00 (produced by the Department for Work and Pensions). Children were defined as experiencing income poverty if they were living in households with a disposable, equivalised income after housing costs that was below 60 per cent of the GB median. The second comprised a telephone survey of SIP managers followed by in-depth interviews with SIP managers and partners in four case study SIPs. Documentation on the case study SIPs and their associated projects was also collected and reviewed.

CHAPTER ONE INTRODUCTION

1.1 The Chancellor of the Exchequer, Gordon Brown, has described child poverty as a 'scar on the soul of the nation' (quoted in Barnes, 2000: 1). In July 1999, the Prime Minister committed the New Labour Government to abolish child poverty within a generation and halve it within 10 years. Meanwhile, the Scottish Executive has also pledged, as part of its social justice agenda, to defeat child poverty (Scottish Executive, 1999). This is an ambitious target, not the least because the scale of child poverty in Scotland - and in Britain more generally - is considerable and has increased dramatically over the last 2 decades.

1.2 In order to tackle child poverty, the UK Government and the Scottish Executive have introduced a range of measures at both local and national level. In Scotland, many of these initiatives are located in and funded through the Social Inclusion Partnerships set up by the Scottish Executive. Social Inclusion Partnerships (SIPs) are multi-agency partnership bodies made up of representatives from the statutory sector, such as local authorities and health boards, the voluntary sector, community representatives, and the private sector. Their task is to co-ordinate activities to promote social inclusion, prevent social exclusion, develop innovative models of working and fund local projects that fit local priorities. SIPs themselves have relatively modest budgets, which are regarded as a lever to pull down funding from other sources, including the mainstream budgets of public service partners.

1.3 The SIP programme was established in 1998 but around half of SIPs are former Priority Partnership and Regeneration Programmes Areas. Currently, there are 48 SIPs, of which 34 are 'area-based' and 14 'thematic'. Area-based SIPs target specific geographical areas of deprivation and exclusion. Although most area-based SIPs are located in urban Scotland, there are some in rural areas. Thematic SIPs target particular 'communities of interest' within defined geographical areas. Target groups are those at risk of social exclusion and include young people, young carers, black and minority ethnic communities, and prostitutes.

1.4 However, little is known about the role of SIPs in tackling child poverty. How aware are the people working for SIPs or their partner organisations about the extent of child poverty? How does tackling child poverty fit into their wider social justice agenda? What gaps remain that, if addressed, could help to alleviate or prevent child poverty?

SOCIAL JUSTICE AND CHILD POVERTY

1.5 The Scottish Executive has set itself demanding Milestones along the route to defeating child poverty in Scotland. These Social Justice Milestones include the targets of reducing the proportion of children living in workless households and reducing the proportion of children living in low-income households (Scottish Executive, 1999).

1.6 Despite the policy importance of the subject, the evidence base about child poverty in Scotland is relatively thin. Almost all of the in-depth studies of child poverty have focused on Great Britain as a whole. Global estimates for Scotland are available on the proportion of children in poverty. But until now there has been no in-depth analysis of the incidence and nature of child poverty in Scotland today. One important reason for this gap in the evidence base is that, until recently, most of the available data sources were GB-wide surveys with

relatively small sample sizes for Scotland (and invariably excluding households north of the Caledonian Canal).

1.7 However, the advent of the new *Scottish Household Survey* means that it is now possible to conduct an in-depth analysis of child poverty in Scotland. Moreover, because the survey includes a geo-code for whether or not the respondent lives in one of the area-based Social Inclusion Partnerships, it is also possible to compare the incidence and characteristics of child poverty in SIPs with elsewhere in Scotland.

RESEARCH AIMS

1.8 The research reported here examined child poverty in Social Inclusion Partnerships and in Scotland more generally. It had 3 aims:

1. To establish the incidence and characteristics of households with children who are experiencing poverty or are at risk of poverty in Scotland.
2. To establish the geographical distribution of these households, in order to determine the proportion and characteristics of those that fall within and outwith current area-based SIP boundaries.
3. To examine approaches within SIPs to address child poverty and explore how well these are meeting the needs identified in the first 2 aims of the study.

METHODS

1.9 The first 2 aims of the project were addressed by undertaking secondary analysis of 2 large-scale datasets: *Households Below Average Incomes* and the *Scottish Household Survey*.

1.10 *Households below Average Income (HBAI)* is a dataset produced by the Department for Work and Pensions (DWP). It is based on the *Family Resources Survey*, a continuous survey of over 20,000 households in Great Britain. The research reported here used the *HBAI* data for the financial year 1999/00, which was the latest available at the time of the research. The analysis was based the 2,590 children living in the Scottish households included within the *HBAI* dataset.

1.11 The *Scottish Household Survey (SHS)* was the main data source for this part of the project. The analysis was conducted using the *SHS* data for the calendar years 1999 and 2000. This gave an effective sample size of 14,519 children, on which the analysis was based. The income data in the survey were uprated by an appropriate inflation factor supplied by the DWP to bring them up to December 2000 prices.

1.12 Income in the *Scottish Household Survey* was adjusted using an equivalence scale in order to take into account the fact that living together allows households to attain higher living standards than they would if the individual household members were living on their own with the same cash income. The research team employed the well-known McClements scale – as used in the *HBAI* data series – to compute equivalised income (DSS, 2001).

1.13 For the purpose of this research, poverty was defined using the relative definition adopted by Eurostat and the Scottish Executive. Thus, children were defined as experiencing *poverty* if they were living in households with a disposable, equivalised income after housing costs that was below 60 per cent of the GB median. Children living in households with an income below 50 per cent of the median were defined as being in *more severe poverty*, while those with an income below 70 per cent of the median were defined as being *at risk of poverty*. Children in households with an income at or above 70 per cent of the median were defined as being *not in poverty*.

1.14 The *Households Below Average Income* publications and Social Justice Annual Reports provide figures on income poverty both before and after housing costs. There are advantages and disadvantages of either approach, but for simplicity and ease of presentation this report focuses solely on income poverty after housing costs have been deducted. This is in line with the 'headline measure' presented in the Social Justice Annual Reports.

1.15 The median income for Great Britain was calculated from the *HBAI*. It was then adjusted in the *SHS* to take into account differences in the definition and treatment of income between the 2 surveys. These income differences are discussed at length in Appendix 1.

1.16 It is important to bear in mind that this part of the research was based on data for 1999 and 2000 and therefore has not taken into account changes in the tax and benefit system that have been made since then. It is also important to note that the analysis is based on a cross-section of children at one point in time and takes no account of the dynamics of child poverty. This is an important qualification because not all children that were poor in 1999/2000 would have remained poor in 2001; and likewise, not all children that were not poor in 1999/2000 would have remained so in 2001. It seems fair to suggest that persistent poverty is of even greater concern than transitory poverty (Hills, 1999).

1.17 The third aim of the research was addressed by means of a telephone survey of SIP managers, followed by semi-structured qualitative interviews with staff in 4 SIP case studies. Managers of all area-based and thematic SIPs were contacted during July and August 2001 to obtain initial information on child poverty through a telephone survey. The objective was to use this data to assist in the selection of 4 case studies. The telephone survey included questions on the extent to which SIP managers saw child poverty as within the SIP's remit, their perceptions of 'child poverty' and brief details of child poverty initiatives in which they were involved.

1.18 Following the telephone survey, 4 SIPs were selected for more detailed consideration using a case study approach. The aim was that the case study SIPs should exemplify different approaches to tackling child poverty. Interviews were conducted with the SIP manager in each of the 4 case studies, and with key partners and project staff identified in consultation with the SIP manager. The interviews were intended to gain a deeper understanding of the nature of child poverty in the SIP, of the efforts being made to tackle child poverty and of any perceived barriers to tackling child poverty. In addition, documentation on the SIP and its associated projects was collected and reviewed.

1.19 The research brief did not include interviews with the users of SIP services or with children themselves. Nor was it possible within the confines of this project to undertake an *evaluation* of the effects of the work of SIPs towards tackling child poverty.

1.20 Further details of the methods used to address the third aspect of the research are set out in Appendix 3.

1.21 Except where noted to the contrary (mainly in Chapter Five), references to child poverty should be taken to mean poverty of income ('income poverty'). Chapters Three and Four focus exclusively on income poverty. Chapter Five takes a broader view of child poverty and includes discussion of non-financial dimensions such as poverty of opportunity.

STRUCTURE OF THE REPORT

1.22 The structure of the remainder of this report is as follows:

- | | |
|----------------------|---|
| <i>Chapter Two</i> | Places the research in context. It examines the growth in child income poverty, the causes of this growth and its consequences. It also summarises the Government and Scottish Executive's strategy for tackling the problem. |
| <i>Chapter Three</i> | Examines the incidence and composition of child income poverty in Scotland as a whole. |
| <i>Chapter Four</i> | Examines child income poverty in Social Inclusion Partnerships and compares it with child poverty elsewhere in Scotland. |
| <i>Chapter Five</i> | Explores how SIPs and their partner organisations perceived the problem of child poverty in its widest sense, examines how they were tackling it, and identifies the gaps they perceived in services. |
| <i>Chapter Six</i> | Sets out the main conclusions and implications of the research. |

CHAPTER TWO CHILD POVERTY IN CONTEXT

THE GROWTH OF CHILD POVERTY

2.1 It is now well documented that income inequality in Britain has risen since the late 1970s and that the increase has been particularly marked among families with children (Goodman *et al*, 1997; Hills, 1996). Between 1968 and 1995/96, child poverty in Britain trebled: over this period, the proportion of children living in poor households rose from one in 10 to one in 3 (Gregg, *et al*, 1999). In Scotland, the percentage of children living in households below 60 per cent of median income peaked at 34 per cent in 1996/97, since when it has reduced somewhat (Scottish Executive, 2001).

2.2 This dramatic increase in child poverty is not one that is shared by all advanced welfare states. Comparative research indicates that, while child poverty has increased in many countries, in others it has fallen or remained stable. Over the past decade, for example, child poverty fell in Canada, Denmark, Finland, Norway, and Spain. It remained more or less constant in France, and increased in Britain, Germany, Italy and the USA (HM Treasury, 2000). Among the countries comprising the European Union, only Italy had a faster rate of increase in child poverty than Britain (Bradbury and Jantti, 1999).

2.3 Moreover, research indicates that child poverty is more prevalent in Britain than elsewhere in the European Union. Evidence from the European Community Household Panel for 1993 indicates that the percentage of children in poverty ranged from a low of 5 per cent in Denmark to a high of 32 per cent in Britain (Bradshaw, 1999).

REASONS FOR THE GROWTH OF CHILD POVERTY

2.4 The causes of this growth in child poverty in Britain are complex and there is scope here to mention only some of the more important factors.

2.5 Arguably the most important of these is the growth in worklessness – households in which no adults are in paid employment – over the past twenty years or so. Evidence from the *Households Below Average Income* data series produced by the Department for Work and Pensions indicates that, in Scotland, the proportion of dependent children without a parent in work almost doubled between 1979 and 1996/7, rising from 14 per cent to 26 per cent over this period. Although the proportion has fallen since the mid-1990s, *Labour Force Survey* estimates suggest that approximately one in 7 children in Scotland were living in a workless household in 2001 (cited in Scottish Executive, 2001).

2.6 The proportion of children living in workless households in Scotland (and the equivalent figure for Britain as a whole) is higher than in any other country in the European Union, according to estimates produced by the OECD (cited in HM Treasury, 2000).

2.7 The growth in the number of children living in workless households reflects a number of developments. These include the high levels of unemployment experienced during the 1980s and 1990s, the rise in lone parenthood over the same period, and the polarisation in employment among households with 2 resident parents between those with both partners in work and those with none (Gregg and Wadsworth, 1999).

2.8 The tax and benefit system also appears to have been an important factor behind the growth in child poverty in Britain. The tax burden faced by families with children has risen in recent decades. According to Treasury figures, the tax burden on a family with 2 children on mean male earnings increased by almost 20 per cent between 1969 and 1997 (HM Treasury, 2001). In addition, since the early 1980s, social security benefits have been increased in line with prices rather than earnings. As a result, the income of benefit recipients has fallen as a proportion of average earnings.

2.9 However, it is not just among children in workless households that poverty has increased. It has also increased among children living in households where someone is in employment. Indeed, between 1979 and 1995/96, the number of poor children in working households in Britain doubled (Gregg *et al*, 1999). Two of the most important causes of this growth in child poverty among working households are increased wage inequality and growth in part-time work. Although an increase in wage inequality has happened across the developed economies, the fastest growth has been in Britain (HM Treasury, 1999a, 1999b).

2.10 Finally, recent trends in demography have also played a part in the growth of child poverty. As Bradshaw (2001a: 15) has explained:

Our family demography does not help; a comparatively high fertility rate, low age of first marriage, high divorce rate, low mean age of child-bearing, high birth-rate outside marriage, high proportion of lone parents, high proportion of cohabiting couples, high proportion of families with 3 or more children (Ditch *et al*, 1998). All of these factors are likely to be associated with high rates of poverty.

CONSEQUENCES OF CHILD POVERTY

2.11 One obvious consequence of child poverty is that families have to get by on a relatively low income. Given the high costs of bringing up children (Middleton *et al*, 1997), that may mean having to cut back or do without budgetary items that many people would regard as ‘necessities’, quite apart from minor ‘luxuries’ that many take for granted (Gordon *et al*, 2000). Many poor families with children struggle to make ends meet (Kempson *et al*, 1994; Kempson, 1996).

2.12 However, the impact of child poverty can be far wider than simply the immediate financial effects. There is a growing body of evidence that suggests that the outcomes of poverty for children may be far-reaching and continue into adulthood (see Bradshaw, 2001b). As a recent report on child poverty by HM Treasury (2001: 2) noted:

Income can have a direct effect on children’s outcomes through the effect on the child’s ability to participate in everyday activities of the peer group, aspirations, educational and recreational activities, and nutrition and also the stress levels of the parent and the parent’s ability to cope. Low income is however also correlated with a range of factors that are likely to lead to poorer outcomes in the future such as large family size, housing overcrowding, deprived neighbourhoods, low educational qualifications of the parent and poor mental health.

2.13 For example, poverty appears to be associated with poor health, though demonstrating that a causal link exists between them is methodologically very difficult (Johnson, 2001). It

is known, however, that children living in poverty experience higher rates of chronic illness and have lower life expectancy than their more affluent peers (HM Treasury, 2001).

2.14 Research also suggests that family income is significantly correlated with educational attainment. Although other factors are also important and the precise transmission mechanisms are not fully understood, poverty in childhood appears to contribute to low educational attainment. Low educational attainment can, in turn, have an impact upon future earning prospects in adulthood (Gregg *et al*, 1999).

2.15 Childhood poverty can also have a negative affect on opportunities and outcomes in later life (HM Treasury, 1999a). For example, Hobson and Kiernan (2001) found that experience of poverty in childhood was associated with a variety of adverse outcomes in adulthood as well as early motherhood. Although childhood poverty was not the most important factor associated with early motherhood, it reinforced the effects. Among their sample of women aged 33, those who were most clearly poor in childhood had significantly increased odds of having: no educational qualifications, low household income, and low levels of satisfaction with life.

ENDING CHILD POVERTY

2.16 The Government and Scottish Executive have both developed strategies to tackle child poverty and prevent future poverty. These actions have included measures to help ensure a decent family income, but also other policies aimed at the wider or non-income aspects of child poverty.

2.17 The Government has argued that work is the surest route out of poverty (DSS, 1998). Consequently, an important part of the strategy for improving family incomes is through helping people into work. This is being achieved through the numerous New Deals, including those for young people, lone parents, and the partners of unemployed people.

2.18 Action has also been taken to help 'make work pay'. This aim is being achieved through a range of measures, including the national minimum wage. Initially set at £3.60 an hour for people aged over 21, it now stands at £4.10. Measures to help make work pay that have been specifically targeted at families with children have included:

- The introduction of the Working Families Tax Credit (WFTC) and the Disabled Persons Tax Credit (DPTC) in October 1999. These 2 tax credits include a childcare component covering 70 per cent of approved childcare costs up to a maximum amount.
- The introduction of the Child Tax Credit in April 2001 and the Baby Tax Credit in April 2002.
- Substantial real increases in the level of Child Benefit since 1999.

2.19 A major reform of tax credits and income-related support for children is planned for April 2003. Income-related support for children (whether through social security benefits or tax credits) is to be integrated into a single Child Tax Credit payable by the Inland Revenue to the parent with primary responsibility for care of the children. This will provide a seamless and secure stream of financial support for children, which should help to smooth the path from benefits to work. In addition, the adult component of WFTC and DPTC, together

with the childcare component (where applicable), will be replaced by a new Working Tax Credit, which will be paid to people in paid work whether they have children or not (HM Treasury, 2001).

2.20 Since 1999, the Government has also implemented substantial increases in the child scale rates for income-related social security benefits (including an increase of 70% in real terms for those under age 11). These have helped to improve the incomes of children in workless households. As noted above, these child allowances in Income Support and income-based Jobseekers Allowance will be incorporated into the planned Child Tax Credit in April 2003.

2.21 As well as these financial measures, a wide range of other types of initiative have been introduced that are intended to help tackle child poverty and give children the best start in life (see HM Treasury, 2001). In Scotland, these initiatives include the Childcare Strategy, Sure Start Scotland, New Community Schools and the Changing Children Services Fund.

2.22 The Childcare Strategy aims to provide good quality, affordable and accessible childcare in every neighbourhood. As well as additional childcare places, the strategy includes free nursery education for every four year-old whose parents want it. Sure Start Scotland aims to promote the physical, intellectual, and social development of babies and pre-school children, especially those who are disadvantaged in life. In the New Community Schools, teachers, health professionals, social workers and others aim to work together as members of a single team to provide the services that children need and address the barriers to learning that may exist. The Changing Children Services Fund has been introduced to ensure that public services are better able to work together in order to support the most vulnerable and excluded children. A substantial proportion of the fund is being used to help tackle drug abuse among children.

CONCLUSION

2.23 Britain has one of the worst records on child poverty among the advanced economies of the world. However, the Scottish Executive and the UK Government have introduced a range of measures aimed at tackling the problem and its outcomes in later life. The Government's claim that the tax and benefit changes introduced since 1997 will have reduced the number of children in income poverty in Britain by 1.2 million, assuming other things have remained the same, has been confirmed by independent estimates (Sutherland and Piachuad, 2001). Nevertheless, although the impact of some of these measures has been or will be fairly immediate, in other cases it will be many years before the effects become fully apparent. A problem that has developed over several decades will inevitably take a long time to be solved.

CHAPTER THREE CHILD POVERTY IN SCOTLAND

INTRODUCTION

3.1 This chapter examines child income poverty in Scotland. The first part of the chapter focuses on the *incidence* of poverty in Scotland compared with elsewhere in Britain. The second part examines the incidence of child poverty among different types of household in Scotland. By ‘incidence’ is meant the extent or rate of poverty, that is, the percentage of children who fall below a certain level of income. The third part of the chapter examines the *composition* of child poverty in Scotland. That is to say, it looks at the characteristics of the families of children who were experiencing income poverty. It also compares them with the characteristics of the families of children who were not experiencing income poverty. In the fourth part of the chapter, geographical differences in the incidence and composition of child poverty within Scotland are explored. The fifth part of the chapter examines the odds of children in particular types of family being poor when other factors are taken into account.

3.2 The analysis in the first 2 parts of the chapter is based on the *Households Below Average Income (HBAI)* dataset for the financial year 1999/00, which is produced by the Department for Work and Pensions. The analysis in the third, fourth and fifth parts of the chapter is based on the *Scottish Household Survey (SHS)* for the calendar years 1999 and 2000.

3.3 With the exception of Table 3.1, which focuses on individuals, the unit of analysis in this and the following chapter is *children*. Tables 3.1 to 3.3 - which are based on the *HBAI* - exclude the self-employed, but all other tables in this and the following chapter include them. In both of these chapters, the term ‘child poverty’ is used to refer to poverty of income.

3.4 As noted in Chapter One, income is defined as disposable income after housing costs have been deducted, equivalised to take into account the size and composition of the household. The tables show results for all 3 of the income thresholds - 50 per cent, 60 per cent and 70 per cent of median income – but the discussion in the text focuses on the 60 per cent threshold. For ease of exposition, the text generally refers to children in households with incomes below the latter threshold as children in poverty.

SCOTLAND COMPARED

3.5 Although the focus of this report is on child poverty, it is helpful to place this within the wider context of poverty more generally. Table 3.1 shows, for each of the 3 nations that comprise Great Britain, the percentage of *individuals* below 3 different income thresholds.

3.6 In 1999/00, the incidence of poverty in Scotland was broadly similar to that in Britain as a whole. Thus, 23 per cent of individuals in Scotland had an income after housing costs that was below 60 per cent of median income, exactly the same percentage as for Great Britain (Table 3.1).

Table 3.1 Incidence of poverty among *individuals* by nation, 1999/00

Nation		Below 50% Median	Below 60% Median	Below 70% Median
England	%	15	23	30
Wales	%	16	25	34
Scotland	%	14	23	31
Great Britain	%	14	23	31

The figures are arranged in rows and exclude the self-employed.

Source: DSS (2001) *Households Below Average Income, 1994/5-1999/00*, Table 3.2

3.7 Perhaps surprisingly, Scotland had a lower proportion of children in poverty than either England or Wales. In 1999/00, 29 per cent of children in Scotland were living in households with an income that was less than 60 per cent of the GB median. This compares with 32 per cent in England and 36 per cent in Wales (Table 3.2). It is not clear whether this difference is significant or reflects sampling error in the survey from which the figures are derived.

Table 3.2 Incidence of child poverty by nation, 1999/00

Nation		Below 50% Median	Below 60% Median	Below 70% Median
England	%	22	32	41
Wales	%	23	36	45
Scotland	%	18	29	39
Great Britain	%	21	32	41

The figures are arranged in rows and exclude the self-employed.

Source: DSS (2001) *Households Below Average Income, 1994/5-1999/00*, Table 3.4

THE INCIDENCE OF CHILD POVERTY

3.8 One way to examine the data on child poverty is to look at the incidence of poverty among children in different types of household. Table 3.3 shows the percentage of children below the 3 income thresholds in 1999/00 according to different family or household characteristics.

3.9 It is clear from Table 3.3 that work is an important factor affecting the incidence of child poverty. In 1999/00, the percentage of poor children (i.e. an income below 60 per cent of the GB median) was lower:

- Among children in families where someone was in full-time work than among families that were self-employed or in part-time work; and
- Among children in families where someone was in paid work than among families where no one was in work.

3.10 For example, only 8 per cent of children in families where an adult was in full-time work were poor. By contrast, 76 per cent of children living in workless households were poor. The stark contrast between these figures underlines the importance of paid work as a critical factor affecting the incidence of child poverty in Scotland.

3.11 Family type is also significantly related to the incidence of child poverty. The rate of child poverty was very much higher among lone parents than among couples. Thus, 58 per cent of children in lone parent households were poor, compared with only 18 per cent among children living with couples (Table 3.3).

3.12 Table 3.3 also suggests that there is a parental age effect in relation to the incidence of child poverty. Thus, 60 per cent of children in households headed by a young adult aged under 25 were poor. This compares with 31 per cent where the head of household was aged from 25 to 44, and 12 per cent where they were aged 45 or more. In other words, the majority of children living with young parents (that is, under 25 years of age) were experiencing poverty in 1999/00.

Table 3.3 Incidence of child poverty by family or household characteristics, Scotland 1999/00

		Below 50% median	Below 60% median	Below 70% median
<i>Economic status of adults in family</i>				
Self-employed	%	21	27	31
Working full-time	%	5	8	17
Working part-time	%	20	38	49
Not working	%	50	76	87
<i>Economic status of adults in family</i>				
Working	%	9	14	23
Not working	%	50	76	87
<i>Family type</i>				
Couples with children	%	12	18	28
Singles with children	%	37	58	67
<i>Age of head of household</i>				
16 to 24	%	23	60	74
25 to 44	%	22	31	40
45 and over	%	7	12	21
<i>Number of children in family</i>				
One	%	13	23	29
Two	%	14	24	32
Three or more	%	31	42	55
<i>Housing tenure</i>				
Owner-occupied	%	7	10	16
Social rented	%	37	58	71
Private rented	%	24	42	53
<i>All children</i>	%	19	29	38

The figures are arranged in rows and exclude the self-employed.

Source: HBAI 1999/00 (own analysis)

3.13 The child poverty rate was substantially higher among children in large families than among small families. In 1999/00, two-fifths of children in families with 3 or more children were poor in Scotland. This compares with a child poverty rate of about a quarter among children in families with only one or 2 children (Table 3.3).

3.14 Finally, there was a strong association between housing tenure and child poverty. The rate of child poverty was very high among children living in social rented housing and, to a lesser extent, among children living in private rental housing. Thus, 6 out of 10 children in social housing and 4 out of 10 in private rental housing were poor in 1999/00. The rate among children in owner-occupation was only one in 10 (Table 3.3).

THE COMPOSITION OF CHILD POVERTY

3.15 Another way to examine child poverty is to focus on the composition of the population of poor households containing children. Table 3.4 shows the socio-economic characteristics of households with children having an income below the 3 poverty thresholds, those at or above the 70 per cent threshold, and all children in Scotland.

3.16 The figures in Table 3.4 are arranged in columns and refer to the percentage of children. For example, 13 per cent of children below 60 per cent of median income were living in households headed by someone aged 45 or more. This compares with 16 per cent of all children in Scotland.

3.17 Children in poverty were disproportionately likely to be living with lone parents. Thus, while 20 per cent of all children were living in lone parent households, 37 per cent of children in poverty were living in this type of household (Table 3.4). This strong association between lone parenthood and child poverty has also been found in studies of child poverty in Britain as a whole (e.g. Adelman and Bradshaw, 1998; DSS, 2001).

3.18 Families with 3 or more children accounted for a disproportionately large share of children experiencing poverty. Families of this size made up 3 out of 10 children in Scotland but 4 out of 10 poor children (Table 3.4). Again, this association between families with 3 or more children and child poverty echoes the findings for Britain as a whole (Adelman and Bradshaw, 1998).

3.19 There was also a clear association between housing tenure and child poverty. Thus, while 34 per cent of all children were living in social rented housing, as many as 64 per cent of poor children were living in this tenure. And although 62 per cent of all children were living in owner-occupied housing, only 29 per cent of poor children were doing so (Table 3.4).

3.20 Poor children were disproportionately likely to be living in a household where someone had a limiting illness, a health problem or was disabled. In 1999/2000, almost a quarter of children experiencing poverty were living in such households, compared with only one in 6 of all children in Scotland (Table 3.4).

Table 3.4 Composition of child poverty by family or household characteristics, Scotland 1999/2000 (% of children)

	Below 50% Median %	Below 60% Median %	Below 70% Median %	Above 70% Median %	All children %
<i>Age of HIH</i>					
16 to 24	6	7	7	2	4
25 to 44	79	81	81	81	81
45 and over	15	13	12	17	16
<i>Gender of HIH</i>					
Male	44	44	47	78	68
Female	56	56	53	22	32
<i>Ethnic group</i>					
White	96	98	98	99	99
Other ethnic group	4	2	3	1	2
<i>Marital status of HIH</i>					
Married or cohabiting	56	52	55	86	76
Single, never married	18	22	21	4	10
Widowed, separated or divorced	27	26	24	9	14
<i>Household type</i>					
Lone parent	31	37	36	12	20
Small family	30	27	29	55	47
Large family	39	35	35	33	34
<i>Number of children in Family</i>					
One	21	22	21	28	26
Two	38	38	39	48	45
Three or more	41	41	40	24	29
<i>Tenure of household</i>					
Owner occupation	32	29	31	76	62
Social renting	60	64	62	21	34
Private renting	8	8	7	3	4
<i>Educational qualifications</i>					
Yes	63	64	65	85	79
No	37	36	35	15	21
<i>Household member with limiting illness, health problem or disability?</i>					
Yes	25	23	24	16	18
No	75	77	76	84	82

HIH = highest income householder

The figures are arranged in columns.

Source: SHS 1999/2000 (own analysis)

3.21 Finally, children in income poverty were disproportionately likely to be living in households where the adults had no educational qualifications. Thus, one in 3 poor children were living in such households compared with one in 5 of all children (Table 3.4).

3.22 Table 3.5 confirms the importance of work as a factor helping to protect children against income poverty. In Scotland as a whole, 8 out of 10 children were living in families where the *highest income householder* was in employment. However, only 4 out of 10 poor children were living with highest income householders who were in paid work. Most of the remainder were either jobseekers or looking after the home. Only a small minority of children was living with highest income householders that were permanently retired, long-term sick, or disabled (Table 3.5).

3.23 Whatever the reason for the lack of employment, it is clear that there is a strong association between worklessness and child poverty in Scotland, as there is in Britain as a whole (HM Treasury, 1999). Thus, in Scotland in 1999/2000, over half of poor children were living in *households* where no one was in paid work, compared with one in 5 of all children in Scotland. In contrast, 9 out of 10 non-poor children were living in households where someone was in work (Table 3.5). This finding provides support for the Government's emphasis on paid employment as a route out of poverty.

3.24 Interestingly, children living with lone parents in paid work did not account for a disproportionate share of children in poverty. Only 9 per cent of poor children were living in households headed by a lone parent in work. This is exactly the same percentage as among children who were not poor (Table 3.5). This indicates that employment status is a more important child poverty risk factor than family type (Adelman and Bradshaw, 1998). This is an important finding because it means that it is not lone parenthood *per se* that is the critical factor underlying child poverty among this demographic group, but lack of employment.

3.25 While child poverty was clearly associated with worklessness, employment was not necessarily sufficient to prevent children from experiencing poverty. Indeed, 4 out of 10 of poor children were living in households where someone was in employment (Table 3.5). Presumably, the pay and any in-work benefit income they were receiving were insufficient to raise them above 60 per cent of median income.

3.26 In other words, work may be the surest and best way out of poverty, but it is by no means a guaranteed escape route. Low pay can be a cause of child poverty. However, the recent increases in the national minimum wage, Working Families Tax Credit, and Child Benefit may well have reduced the number of working families experiencing child poverty since this survey data was collected.

3.27 Children in poverty were much more likely than other children to live in households that had no savings or investments. Thus, in 1999/2000, 8 out of 10 poor children were living in households with no savings. This compares with only 4 out of 10 non-poor children (Table 3.6).

Table 3.5 Composition of child poverty by economic status of household or highest income householder, Scotland 1999/2000 (% of children)

	Below 50% median	Below 60% Median	Below 70% median	Above 70% median	All Children
	%	%	%	%	%
<i>Economic status of HIH</i>					
Working	42	43	49	93	79
Higher or further education	3	3	2	--	1
Permanently retired from work	2	2	1	--	1
Permanently sick or disabled	5	5	5	2	3
Looking after home or family	29	32	28	3	11
Unemployed and seeking work	16	15	13	1	5
Other not working	2	2	2	1	1
<i>Work and family status of household</i>					
Single adult in work	9	9	10	9	10
Single adult not in work	36	39	35	4	14
Couple, both in work	11	11	13	62	47
Couple, one in work	24	24	27	22	23
Couple, neither in work	21	17	15	2	6
<i>Work status of household</i>					
Working	44	44	50	93	80
No working	56	56	50	7	20

The symbol -- indicates figures that are less than 0.5%

The figures are arranged in columns.

Source: SHS 1999/2000 (own analysis)

3.28 Where households did have savings, the amounts involved tended to be smaller among children in poverty than among other children. About 2 out of 5 poor children were living in households whose savings were less than £1,000. This compares with only one in 5 non-poor children in households with savings (Table 3.6).

3.29 Children experiencing income poverty were much less likely than children who were not in poverty to be living in households that had a bank or building society account. A third of poor children were living in households without a bank account. This compares with only one in 20 non-poor children (Table 3.7).

3.30 Finally, as Table 3.7 indicates, poor children were much less likely than other children to be living in households that had:

- access to a car,
- access to the internet at home, or
- a home contents insurance policy.

Table 3.6 Composition of child poverty by household savings, Scotland 1999/2000 (% of children)

	Below 50% median	Below 60% Median	Below 70% Median	Above 70% median	All children
	%	%	%	%	%
<i>Savings or investments?</i>					
Yes	21	21	22	59	48
No	79	79	78	41	52
<i>Amount of savings*</i>					
Up to £1000	36	39	38	21	24
£1,000 to £4,999	19	19	20	23	22
£5,000 to £9,999	7	7	8	12	11
£10,000 or more	21	16	15	20	19
Refused to say	17	20	20	24	24

* These percentages include only children living in households that did have savings.

The figures are arranged in columns.

Source: SHS 1999/2000 (own analysis)

Table 3.7 Composition of child poverty by selected household assets, Scotland 1999/2000 (% of children)

	Below 50% median	Below 60% median	Below 70% median	Above 70% median	All Children
	%	%	%	%	%
<i>Bank account?</i>					
Yes	69	67	70	95	87
No	31	33	30	5	13
<i>Number of cars to which Household has access</i>					
None	51	53	49	14	25
One	40	40	42	52	49
Two	8	7	7	32	24
Three or more	1	1	1	2	2
<i>PC or internet access?</i>					
PC and internet access	16	15	15	36	29
PC but no internet access	19	18	18	25	23
No PC or internet access	65	68	67	39	48
<i>Home contents insurance?</i>					
Yes	52	49	53	88	77
No	49	51	47	12	23

The figures are arranged in columns.

Source: SHS 1999/2000 (own analysis)

THE GEOGRAPHY OF CHILD POVERTY

3.31 Child poverty was not distributed in line with the distribution of the general population across Scotland. Table 3.8 shows the incidence of child poverty in urban compared with rural Scotland in 1999/2000. The percentages have been adjusted to bring

them into line with the *Households Below Average Income* figures produced by the Department for Work and Pensions. This adjustment was necessary because of differences in the survey coverage and definition of income between *HBAI* and *SHS*, as noted in Chapter One and elaborated upon in Appendix 1.

3.32 There is a higher incidence of child poverty in urban than in rural Scotland, taking these categories as a whole. For instance, 31 per cent of children in urban areas, compared with 25 per cent in rural areas, were below the poverty threshold of 60 per cent of median GB income.

Table 3.8 Incidence of child poverty by urban or rural locality, Scotland 1999/2000

Location of residence		Below 50% median	Below 60% median	Below 70% Median
Urban	%	20	31	40
Rural	%	16	25	33
All children	%	19	29	38

The figures are arranged in rows. They have been adjusted to bring them into line with *HBAI*.

Source: *SHS* 1999/2000 (own analysis)

3.33 Given the higher child poverty rate in urban compared with rural areas, it is not surprising to find that child poverty was disproportionately concentrated in urban Scotland. Thus, in 1999/2000 urban areas accounted for 68 per cent of all children in Scotland, but for 73 per cent of children in income poverty. By contrast, rural areas accounted for 32 per cent of all children but for only 27 per cent of children experiencing poverty.

Table 3.9 Composition of child poverty by urban or rural locality, Scotland 1999/2000 (% of children)

Location of residence	Below 50% Median	Below 60% Median	Below 70% Median	Above 70% median	All children
	%	%	%	%	%
Urban	72	73	72	66	68
Rural	28	27	28	34	32
Total	100	100	100	100	100

The figures are arranged in columns.

Source: *SHS* 1999/2000 (own analysis)

3.34 Even within urban and rural areas, child poverty was not uniformly distributed. For example, Glasgow had a disproportionately large share of child poverty in Scotland. It accounted for 12 per cent of all children in Scotland, but as many as 20 per cent of children in poverty. Edinburgh's share of child poverty was broadly in line with its share of all children: it accounted for 8 per cent of children and for 7 per cent of children experiencing poverty.

3.35 Table 3.10 uses the Scottish *Mosaic* classification of neighbourhoods, which was developed by the company *Experian*, to examine the distribution of child poverty across different types of residential area. It shows that children in poverty were much less likely to live in high income neighbourhoods or areas dominated by middle income owners than children who were not experiencing poverty. By contrast, children in poverty were disproportionately likely to live on disadvantaged council estates or in neighbourhoods dominated by families in council flats.

Table 3.10 Composition of child poverty by type of residential area (mosaic groups), Scotland 1999/2000 (% of children)

Mosaic area	Below 50% median	Below 60% Median	Below 70% median	Above 70% median	All Children
	%	%	%	%	%
High income areas	5	4	4	17	13
Middle income owners	8	7	8	19	15
Low income owners	6	7	7	10	9
Better-off council	22	22	24	17	19
Disadvantaged council estates	15	16	15	9	11
Families in council flats	22	22	20	6	11
Renting singles	8	9	8	4	5
Singles and flats	5	5	6	6	6
Country dwellers	6	6	6	8	7
Institutional areas	3	3	3	4	4
Total	100	100	100	100	100

The figures are arranged in columns.

Source: SHS 1999/2000 (own analysis)

THE ODDS OF CHILDREN BEING IN POVERTY

3.36 So far the analysis has focused on what are called bivariate relationships, that is, relationships between child poverty and particular family or household characteristics, considered one at a time. For example, it was shown that there is a statistically significant relationship between child poverty and lone parenthood, and between child poverty and paid employment. However, paid employment and lone parenthood may themselves be related to each other, in which case it is important to disentangle the separate effect of each of these factors on child poverty.

3.37 It is possible to isolate the independent effect of each factor on child poverty using multivariate statistical techniques. One such technique, known as logistic regression, provides estimates of the odds of being in poverty for children in households having each characteristic of interest, while holding all other characteristics constant, compared to some reference category. For example, it can show the odds of a child in social housing being in poverty compared to a child in owner-occupation, while holding constant all other characteristics of interest (private renting, lone parenthood, employment, number of children in the family, etc).

3.38 Table 3.11 shows the odds of children in families or households of particular types being in poverty (i.e. below the poverty threshold of 60 per cent of GB median income). As noted above, the odds of children being in poverty for each type of household or family are calculated in comparison with a reference category, while holding all other characteristics constant. For example, holding other factors constant, in 1999/2000 the odds of children in Scotland being poor were 1.79 times higher where the ethnic background of highest income householders was not white than where it was white.

3.39 The odds for the reference category are by definition always 1.0. The asterisks indicate the level of statistical significance, if any, that can be attached to the result. No asterisk means that the odds are not significantly different from the odds for the reference category.

3.40 The odds ratios are estimates only, the value of which tends to vary to some degree according to the particular mix of variables included in the logistic regression analysis. They should therefore be seen as approximate orders of magnitude rather than precise values; and this is especially true where the odds are high.

3.41 The age of the highest income householder was divided into 4 categories and the odds of children being poor estimated for each category relative to the 16 to 24 category. Surprisingly, the odds of children being poor were greater where the highest income householder was aged from 25 to 34 than where they were aged from 16 to 24.¹ The odds of children being in poverty were not significantly different in households where the highest income householder was aged either 35 to 44 or 45 and above from those where they were aged 16 to 24 (Table 3.11).

3.42 Table 3.11 shows that the odds of children being poor were significantly higher in families comprising 3 or more children than in families that were smaller than that. Thus, the odds were 1.9 times higher for children living in families of 3 or more children than for families comprising only one child. This confirms the importance of family size as a risk factor for child poverty.

3.43 The odds of children being in poverty were higher where the highest income householder had no educational qualifications than where they had some, though the difference was relatively small. This highlights the importance of parental educational attainment as an important risk factor for income poverty among children.²

¹Logistic regression analysis for Britain as a whole, using the *Family Resources Survey* for 1994/95, by Adelman and Bradshaw (1998) found similar results. The odds of children of young adults (defined as under 29 years) being poor were lower than for older adults, even though the bivariate relationship was the other way around.

² As discussed in Chapter Two, children who experience income poverty have a higher probability of low educational attainment.

Table 3.11 The odds of children being below 60 per cent of median income, Scotland 1999/2000

Variable	Odds	Sig.
<i>Age of HH</i>		
16 to 24	1.00	
25 to 34	1.39	**
35 to 44	1.01	
45 and over	1.16	
<i>Number of children in the family</i>		
One	1.00	
Two	1.12	
Three or more	1.86	***
<i>Ethnic group of HH</i>		
White	1.00	
Other	1.79	**
<i>Educational qualifications</i>		
One or more	1.00	
None	1.16	*
<i>Housing tenure</i>		
Owner occupation	1.00	
Private renting	2.57	***
Social renting	1.98	***
<i>Access to a car</i>		
One or more	1.00	
None	1.33	***
<i>Household work status</i>		
Couple, both in work	1.00	
Couple, one in work	5.76	***
Couple, neither in work	37.72	***
Lone parent, in work	3.12	***
Lone parent, not in work	20.70	***
<i>Receives disability benefits</i>		
No	1.00	
Yes	0.17	***

Odds are based on logistic regression 'best-fitting' model estimates.

Significance levels: * <0.05; ** <0.01; *** <0.001.

Source: SHS 1999/2000 (own analysis)

3.44 The odds of children being in poverty are also significantly related to housing tenure. Children in social housing were 1.98 times more likely to be poor than were children in owner-occupation, when other factors were held constant. The odds of being in poverty were even greater (2.6 times) for children in private renting.

3.45 Child poverty was also higher where the household did not have access to a car compared with where they had access to one or more cars (Table 3.11). This result may

reflect the fact that access to a car can enable people who might otherwise be unemployed to take up jobs that are located some distance from their home.

3.46 By far the most important factor affecting the odds of child poverty was the employment status of the household. Children in couples where only one partner was in paid work were nearly 6 times more likely to be poor than children in couples where both worked. The odds of children in workless couples being poor were 38 times higher (though see Paragraph 3.40). For children of lone parents who were in paid work, the odds were 3 times higher. Finally, for children of lone parents who were not in employment the odds were 21 times higher.

3.47 These results clearly indicate that paid work crucially affects the likelihood of children being in poverty, even when other factors are held constant. When it comes to reducing the odds of child poverty among couples, 2 partners in employment is better than one, and one in employment is much better than none.

3.48 The difference in odds between lone parents in work and those who were not in work was very large. However, the odds of children being poor (relative to the reference group of a couple where both partners worked) were greater for couples where one partner worked than for lone parents in work, holding other factors constant. This implies that the relationship between lone parenthood, paid employment and child poverty is more complex than is suggested by examination of the bivariate tables alone.

3.49 Finally, the odds of children being poor were *lower* where the highest income householder or their partner (if any) was in receipt of disability benefits than where they were not. The same was also true of children living in households where someone had a limiting illness, health problem or disability; and also where someone in the household required regular care or help (not included in the 'best-fitting' model). This at first sight surprising result may reflect the higher level of social security benefits paid to people with disabilities compared to other claimants.

3.50 However, it is important to note that, in line with the *HBAI* reports, the *SHS* income data were not equivalised to take into account the considerable extra expenses that disabled people incur compared with other people (DSS, 1998). Had these extra costs been taken into account, the true odds of children who live in households containing disabled people being poor would almost certainly have been much higher than the estimates shown in Table 3.11.

CONCLUSIONS

3.51 This chapter has examined child poverty in Scotland. It has shown that the incidence or rate of child poverty in Scotland in 1999/2000 varied according to family or household type. It was especially high among:

- adults with no educational qualifications
- workless households
- lone parents
- families with 3 or more children
- parents under 25
- tenants in social and private housing.

3.52 The rate of child poverty was particularly high among workless households – that is, households in which no adults were in paid employment or self-employment. Three quarters of all children in workless households in Scotland were living in poverty.

3.53 The rate of child poverty was found to be higher in urban Scotland than in rural Scotland. Correspondingly, urban areas accounted for a disproportionately large share of children in poverty. The City of Glasgow was also found to account for a larger proportion of children in poverty than its share of all children in Scotland. Residential areas characterised as ‘disadvantaged council estates’ and ‘families in council flats’ also accounted for a large amount of children in poverty. Thus, child poverty is not evenly spread across Scotland but is disproportionately concentrated in certain types of area.

3.54 Finally, the odds of children in Scotland being poor varied by family or household type, even when other factors were held constant. However, by far the most important determinant of child poverty was the employment status of the adults in the household. It is notable that, when other factors were controlled for, children living with lone parents in work had lower odds of being poor than either lone parents not in work or couples where only one partner was in work. Thus, employment status was more important than family type in determining whether children were living in poverty. These results confirm that work is the surest route out of poverty, even if – in 1999/2000 – it was not always a sufficient one.

CHAPTER FOUR CHILD POVERTY IN SOCIAL INCLUSION PARTNERSHIPS

INTRODUCTION

4.1 Area-based Social Inclusion Partnerships are intended to target geographical areas of deprivation and exclusion. The extent to which SIPs specifically attempt to prevent or alleviate child poverty (broadly conceived) is discussed in Chapter Five. The aim of this chapter is to examine whether or not children experiencing income poverty are disproportionately located within area-based SIPs (referred to as ‘SIP areas’ for short). It also examines whether the characteristics of child income poverty in SIP areas are similar to or different from elsewhere in Scotland. The analysis is based on the *Scottish Household Survey* for 1999 and 2000.

CHILDREN IN SIPS: HOW DIFFERENT?

4.2 Before examining differences in child income poverty, it makes sense to explore the extent to which children living within the boundaries of area-based SIPs – whether poor or not - were similar to, or different from, children in the rest of Scotland. In fact, there were many significant differences between children living within Social Inclusion Partnership areas and those living elsewhere in Scotland in 1999/2000.

4.3 Table 4.1 summarises selected socio-demographic characteristics of the families of children living within area-based SIPs or elsewhere in Scotland. The figures are arranged in columns and refer to the percentages of children. More detailed statistical information about the families of children living in SIPs and the rest of Scotland are presented in Appendix 2 of the report.

4.4 Children living in SIP areas were more likely than children in other parts of Scotland to be living with householders that were young, female, and lone parents. They were also more likely to be living in families with 3 or more children (Table 4.1).

4.5 Children in SIPs were very much more likely than other children to be living in social rented housing and less likely to be in owner-occupation. They were also much more likely to be living in workless households and more likely to be living with adults that had no educational qualifications (Table 4.1).

4.6 There were other important respects in which children in SIPs differed from those living elsewhere. They were more likely to be living in households where someone had a limiting illness, health problem or disability; or where someone needed regular care or help (see Appendix 2).

4.7 Children living within area-based SIPs were much less likely to be living in households with access to a car, with a bank account, or with savings. Where they did have savings, they were more likely to have only small amounts invested. Children in SIPs were also much less likely than other children to be living in households with access to the internet at home. They were also much less likely to be living in households with home contents insurance (see Appendix 2).

4.8 One important respect in which children in SIPs did not differ from those elsewhere is the ethnic group of the highest income householder. Within area-based SIPs, 1.7 per cent of children were living with highest income householders whose ethnic group was other than white. In the rest of Scotland the figure was 1.6 per cent.

Table 4.1 Composition of families with children in SIPs and elsewhere in Scotland, 1999/2000 (% of children)

	SIPs %	Elsewhere %
<i>Age of HIH</i>		
16 to 24	8	3
25 to 44	80	81
45 and over	11	17
<i>Gender of HIH</i>		
Male	49	72
Female	51	28
<i>Marital status of HIH</i>		
Married or cohabiting	55	81
Single, never married	23	7
Widowed, separated or divorced	22	12
<i>Number of children in family</i>		
One	26	26
Two	38	47
Three or more	36	27
<i>Educational qualifications</i>		
Yes	59	83
No	41	18
<i>Work status of household</i>		
Working	53	85
Not working	47	16
<i>Housing tenure</i>		
Owner occupation	27	69
Social renting	70	26
Private renting	2	5

The figures are arranged in columns.

Source: SHS 1999/2000 (own analysis)

4.9 Thus, in summary, children living within Social Inclusion Partnership areas had many different characteristics – in terms of the families and households in which they live - from those living in the rest of Scotland. They were also much more likely to be experiencing social and economic disadvantage and exclusion than children living in the rest of Scotland. As the next section shows, SIPs also suffered from a much higher level of child poverty.

THE INCIDENCE OF CHILD POVERTY IN SIPs

4.10 Approximately one child in 6 lived within the geographical boundaries of an area-based Social Inclusion Partnership in 1999/2000. However, child income poverty was very

far from being evenly distributed between SIP areas and other parts of Scotland. In fact, the incidence of child poverty was far higher in SIP areas than elsewhere. Indeed, the child poverty rate was about double in SIP areas compared with the rest of Scotland: 51 per cent of children in SIPs, compared to 25 per cent elsewhere, were living in income poverty. As noted in Chapter Three, the figure for Scotland as a whole was 29 per cent (Table 4.2).

Table 4.2 Incidence of child poverty in SIPs and elsewhere in Scotland below thresholds of median income, Scotland 1999/2000

Location of residence		Below 50% Median	Below 60% Median	Below 70% median
SIP area	%	32	51	62
Elsewhere	%	16	25	31
All children	%	19	29	38

The figures are arranged in rows. They have been adjusted to bring them into line with *HBAI*.

Source: SHS 1999/2000 (own analysis)

4.11 The fact that child poverty was much higher within area-based SIPs than outwith these areas is not surprising. For although the extent of child poverty was not one of the key criteria for their selection, SIPs were always intended to comprise areas of social and economic deprivation. The data in Table 4.2 therefore confirms that SIPs do indeed represent areas where the incidence of child poverty is very high.

4.12 Table 4.3 shows that SIPs accounted for a disproportionate amount of child income poverty in 1999/2000. Thus, SIPs accounted for 16 per cent of children in Scotland, but for 29 per cent of children in poverty.

Table 4.3: Composition of child poverty by whether resident in a SIP or elsewhere, Scotland 1999/2000 (% of children)

Location of residence	Below 50% median	Below 60% median	Below 70% median	Above 70% median	All children
	%	%	%	%	%
SIP area	28	29	27	12	16
Elsewhere in Scotland	72	71	73	88	84
Total	100	100	100	100	100

The figures are arranged in columns.

Source: SHS 1999/2000 (own analysis)

THE COMPOSITION OF CHILD POVERTY IN SIPs

4.13 Table 4.4 shows the composition of child poverty in SIPs and elsewhere in Scotland by different family and household characteristics. The figures are arranged in columns and refer to the percentage of children. For example, 12 per cent of children below 60 per cent of median income in SIPs were living in a household where the highest income householder was aged from 16 to 24 years. Meanwhile, 78 per cent were living with highest income householders who were aged from 25 to 44; and the remaining 10 per cent were living with highest income householders aged 45 and over.

4.14 Children experiencing income poverty in SIPs were generally living with younger highest income householders than were those living elsewhere in Scotland. They were also

more likely than poor children elsewhere to be living in households where the highest income householder was white (Table 4.4).

4.15 Poor children in SIPs were more likely to be living with highest income householders that were female than were poor children in the rest of Scotland. This difference itself reflects the fact that children experiencing income poverty in SIPs were more likely than those elsewhere to be living with lone parent households - especially single, never married lone parents (Table 4.4).

4.16 There were also significant housing tenure differences between children in income poverty living within area-based SIPs and those living in other parts of Scotland. A much higher percentage of poor children in SIPs were living in social rented housing and, conversely, a much lower percentage were living in owner-occupied housing. Meanwhile, a lower percentage of poor children in SIPs were living in private rental housing than was the case among poor children elsewhere (Table 4.4).

4.17 A much higher percentage of poor children in SIPs compared with elsewhere were living with adults who did not have any educational qualifications. Thus, 5 out of 10 poor children in SIPs were living with adults without educational qualifications, compared with 3 out of 10 poor children in other parts of Scotland (Table 4.4).

4.18 There were significant differences between poor children living in SIPs and those living elsewhere in terms of the economic and work status of their households. Children experiencing poverty within area-based SIPs were about half as likely as poor children elsewhere to be living with highest income householders in paid employment. Within SIPs, children in poverty were more likely than those in other parts of Scotland to be living with householders that were either looking after the home or unemployed and looking for work (Table 4.5).

4.19 However, it is notable that poor children in SIPs were no less likely than those elsewhere to be living with lone parents in paid work. As noted in Chapter Three, the crucial risk factor seems to be lack of employment rather than lone parenthood per se (see also Adelman and Bradshaw, 1998).

Table 4.4 Composition of child poverty in SIPs and elsewhere in Scotland by family and household characteristics, 1999/2000 (% of children)

	Below 50% Median		Below 60% Median		Below 70% Median	
	SIP area %	Elsewhere %	SIP area %	Elsewhere %	SIP area %	Elsewhere %
<i>Age of HH</i>						
16 to 24	11	4	12	5	11	5
25 to 44	77	80	78	82	79	82
45 and over	12	15	10	14	10	13
<i>Gender of HH</i>						
Male	33	49	34	48	35	52
Female	67	51	66	52	65	48
<i>Ethnic background</i>						
White	99	96	98	97	99	97
Other ethnic background	1	5	2	3	1	3
<i>Marital status of HH</i>						
Married or cohabiting	39	62	38	58	39	60
Single, never married	30	13	34	18	33	17
Widowed, separated or Divorced	31	25	28	25	28	23
<i>Family type</i>						
Lone parent	38	28	46	34	47	32
Small family	26	32	23	29	23	31
Large family	36	40	31	37	31	37
<i>Number of children in family</i>						
One	22	21	20	22	21	22
Two	35	39	36	38	37	40
Three or more	44	41	44	39	42	39
<i>Tenure of household</i>						
Owner-occupation	10	41	8	37	10	39
Social renting	85	50	88	53	87	53
Private renting	5	9	3	9	3	9
<i>Limiting illness, health problem or disability</i>						
Yes	23	25	22	24	24	24
No	77	75	78	76	76	76
<i>Educational qualifications</i>						
Yes	50	68	52	69	52	70
No	50	32	48	31	48	30

The figures are arranged in columns.

Source: SHS 1999/2000 (own analysis)

4.20 Children experiencing poverty within area-based SIPs were much less likely than those experiencing poverty elsewhere to be living in households with no savings or investments. Where poor children in SIPs were living in households that had savings, the amounts involved were generally smaller than was the case for poor children living in the rest of Scotland (Table 4.6). This implies that the families of poor children in SIPs had less

financial reserves than poor families elsewhere with which to cope with large, one-off expenses or sudden drops in income.

Table 4.5 Composition of child poverty in SIPs and elsewhere in Scotland by economic and work status, 1999/2000 (% of children)

	Below 50% Median		Below 60% Median		Below 70% Median	
	SIP area %	Elsewhere %	SIP area %	Elsewhere %	SIP area %	Elsewhere %
<i>Economic status of HH</i>						
Working	22	49	25	50	28	56
Higher or further education	5	3	4	2	3	2
Permanently retired from work	1	2	1	2	1	1
Permanently sick or disabled	7	5	7	5	8	5
Looking after home or family	42	24	44	26	42	23
Unemployed & looking for work	20	15	18	13	17	11
Other not working	2	2	1	2	1	2
<i>Work status of household</i>						
Working	23	52	26	51	29	58
Not working	77	49	74	49	71	42
<i>Family and work status</i>						
Single adult in work	8	9	8	9	8	11
Single adult not in work	53	29	54	33	52	29
Couple both in work	3	14	3	14	4	16
Couple, one in work	12	29	15	28	17	31
Couple, neither working	24	19	20	16	19	14

The figures are arranged in columns.

Source: SHS 1999/2000 (own analysis)

Table 4.6 Composition of child poverty in SIPs and elsewhere in Scotland by household savings and investments, 1999/2000

	Below 50% median		Below 60% median		Below 70% median	
	SIP area %	Elsewhere %	SIP area %	Elsewhere %	SIP area %	Elsewhere %
<i>Savings or investments?</i>						
Yes	8	26	10	25	10	27
No	92	74	90	75	90	73
<i>Amount of savings*</i>						
Up to £1000	56	33	51	37	58	35
£1,000 to £4,999	14	19	17	19	14	20
£5,000 to £9,999	0	8	0	8	0	9
£10,000 or more	0	24	0	19	0	17
Refused to say	30	16	32	18	28	19

* These percentages include only children living in households that did have savings.

The figures are arranged in columns.

Source: SHS 1999/2000 (own analysis)

4.21 Finally, children experiencing income poverty in SIPs were much less likely than other poor children to be living in households that owned or had access to a range of

important assets (Table 4.7). In particular, poor children in SIPs were much less likely than poor children elsewhere in Scotland to be living in households that had:

- A bank or building society account
- Access to a car
- Both a PC and internet access at home
- Home contents insurance

Table 4.7 Composition of child poverty in SIPs and elsewhere in Scotland by access to selected assets, 1999/2000

	Below 50% median		Below 60% median		Below 70% median	
	SIP area %	Elsewhere %	SIP area %	Elsewhere %	SIP area %	Elsewhere %
<i>Bank account?</i>						
Yes	48	77	49	75	51	77
No	52	23	51	25	49	23
<i>Number of cars to which household has access</i>						
None	72	43	74	44	72	42
One	26	46	24	46	26	48
Two	3	10	2	9	2	9
Three or more	0	1	0	1	0	1
<i>PC or internet access?</i>						
PC and internet access	8	19	6	18	7	18
PC but no internet access	17	20	16	19	16	19
No PC or internet access	75	61	78	63	78	63
<i>Home contents insurance?</i>						
Yes	28	60	28	58	32	61
No	72	40	72	42	68	39

The figures are arranged in columns.
Source: SHS 1999/2000 (own analysis)

THE ODDS OF CHILDREN BEING POOR IN SIPS

4.22 This final section compares the odds of children in SIPs being in poverty with the odds for children elsewhere in Scotland. The odds were estimated using a logistic regression analysis with the same variables as for the best fitting model for Scotland as a whole, reported in Chapter Three. The aim of the analysis in this section is to examine whether the factors associated with the odds of children in different family circumstances being poor in SIP areas were the same as elsewhere in Scotland.

4.23 The first point to note is that, when included in the national-level logistic regression analysis, the SIP residence variable was not statistically significant. In other words, the odds of children within SIPs being poor were not significantly different from the odds of children living elsewhere in Scotland being poor, when all other factors were held constant.

4.24 Moreover, when children were divided into 2 groups – those in SIPs and those living in other parts of Scotland – and analysed separately, the odds of being in poverty for each type of family or household were broadly similar (see Table 4.8).

Table 4.8 The odds of children being below 60 per cent of median income, in SIP areas and elsewhere in Scotland, 1999/2000

Variable	SIP areas		Elsewhere in Scotland	
	Odds	Sig.	Odds	Sig.
<i>Age of HIH</i>				
16 to 24	1.00		1.00	
25 to 34	1.24		1.53	**
35 to 44	0.98		1.11	
45 and over	1.19		1.26	
<i>Number of children in the family</i>				
One	1.00		1.00	
Two	1.09		1.13	
Three or more	1.59	**	1.95	***
<i>Ethnic group of HIH</i>				
White	1.00		1.00	
Other	0.99		1.97	**
<i>Educational qualifications</i>				
One or more	1.00		1.00	
None	1.13		1.17	*
<i>Housing tenure</i>				
Owner occupation	1.00		1.00	
Private renting	2.36	*	2.53	***
Social renting	1.94	***	1.92	***
<i>Access to a car</i>				
One or more	1.00		1.00	
None	1.20		1.39	***
<i>Household work status</i>				
Couple, both in work	1.00		1.00	
Couple, one in work	9.63	***	5.29	***
Couple, neither in work	50.60	***	36.28	***
Lone parent, in work	3.53	***	3.14	***
Lone parent, not in work	27.26	***	19.90	***
<i>Receives disability benefits</i>				
No	1.00		1.00	
Yes	0.17	***	0.20	***

Significance levels: * <0.05; ** <0.01; *** <0.001

Source: SHS 1999/2000 (own analysis)

4.25 However, the odds of children within SIPs being poor did differ from the odds of children elsewhere being poor in respect of the ethnic group of the highest income householder, adults' educational qualifications, and whether the household had access to a car. Thus, within SIPs, the odds of children being poor were unaffected by whether or not the highest income householder was white, whether adults in the household had some

educational qualifications, or whether the household had access to a car. By contrast, elsewhere in Scotland, these 3 factors did affect the odds of children being poor. In other words, the factors associated with child poverty in SIPs were not in all respects the same as those affecting child poverty in other parts of the country.

4.26 The most important factor affecting the odds of child poverty, both for children in SIPs and for children elsewhere, was whether or not the household had someone in paid work. Within both parts of Scotland, the odds of children being in poverty (when other factors were held constant) were higher among workless households than among those in employment.

4.27 Although the odds of being in poverty show a similar pattern for both parts of Scotland, they are - with the exception of lone parents in work - much higher within SIPs than elsewhere. It is possible that these differences in the magnitude of the odds of children being poor relate to differences in the availability of employment within SIPs compared with in other parts of the country. Alternatively, they could be due to differences between SIPs and elsewhere in the ability of people with children to take up the employment opportunities that do exist. This is an issue that would merit further research.

CONCLUSIONS

4.28 This chapter has compared and contrasted child poverty in area-based Social Inclusion Partnerships with other parts of Scotland in 1999/2000.

4.29 It was found that there were significant differences in the family and household characteristics of children in these 2 types of area, irrespective of whether they were poor or not. In general, children in SIPs were more likely than those elsewhere to be living in households that had characteristics that were associated with poverty (such as 3 or more children) or were experiencing socio-economic disadvantages (such as lack of a bank account or access to the internet). These results reflect the fact that these areas were designated as SIPs at least in part because they suffered from acute social and economic disadvantage and exclusion.

4.30 Not surprisingly, therefore, the incidence of child poverty was particularly high within SIPs compared with other parts of Scotland. Indeed, the child poverty rate was twice as high in SIPs as elsewhere. As a result, SIPs accounted for a disproportionately large share of Scotland's poor children.

4.31 The research also revealed, however, that there were significant differences in the composition of child poverty between area-based SIPs and the rest of the country. Poor children living in SIPs exhibited more socio-economic deprivation and other indicators of disadvantage than poor children in the remainder of Scotland. To that extent, poor children in Social Inclusion Partnerships were worse placed than were poor children living elsewhere. These results provide some support for concentrating locally-based, anti-child poverty initiatives on SIPs and similarly deprived areas.

CHAPTER FIVE TACKLING CHILD POVERTY IN SOCIAL INCLUSION PARTNERSHIPS

5.1 This chapter is concerned with understanding what SIPs are doing across Scotland to tackle child poverty (in its widest sense). It draws on 2 sources of evidence: an initial telephone survey of 41 SIP managers (the survey) and 23 in-depth interviews in 4 case study areas. Further details of methods are presented in Appendix 3.

5.2 The chapter begins by asking the question: what does the term ‘child poverty’ mean to people working for or with SIPs? Two important findings are that SIPs are generally not focusing on child poverty as a key priority and, as a result, coherent local strategies for tackling child poverty are not in evidence. SIPs have a broad remit for social and economic change, and consequently they tend to regard child poverty as just one aspect of wider local problems.

5.3 The chapter then turns to consider in more detail the range of initiatives identified by SIP managers as impacting on child poverty. A typology of services is developed which distinguishes between the intended recipients of the service and whether it is alleviative or preventative in nature. It is noted that the non-strategic approach means that SIPs display no clear preference for particular types of initiative.

5.4 Finally, the chapter explores what SIP managers and other local staff consider to be the gaps in services which need to be addressed at both a local and at national level if child poverty is to be successfully tackled. A number of suggestions for improvements are presented.

DEFINING CHILD POVERTY

5.5 SIPs’ understanding of child poverty is important, because defining ‘the problem’ is fundamental to designing and implementing solutions. It is apparent that SIPs’ broad understanding of child poverty is at the root of their wide-ranging attempts to tackle it. In this section it is notable that perceptions of ‘the problem’ do not really vary across SIPs, despite different local issues and priorities.

5.6 It is striking that the majority of research participants in both the survey and the case study interviews chose to define child poverty broadly. Definitions typically referred to lack of opportunity, low aspirations and low expectations, as well as low family income. Reference was also made to the social problems affecting many children in poverty, such as substance misuse by parent or child, anti-social behaviour, prostitution and abuse or neglect within the home. Participants did not generally differentiate between the cause of poverty and its impacts on a child’s life and life chances. Therefore both cause and impacts are reported here together.

5.7 The telephone survey revealed that few SIPs have explicitly identified child poverty as a substantive theme in their work. Yet, while *child poverty* is not a specific priority, many SIPs have prioritised related themes such as children and families, training and employment, and poverty and inequality. Further, while child poverty is not explicitly targeted by SIPs, the majority of SIP management staff surveyed regarded child poverty as touching most, if

not all, of their core objectives. One SIP manager remarked that child poverty lay “within the remit of every SIP” while another stated that child poverty “touches everything the SIP does”. The understanding was that the long term improvement of the area must start with the younger generation. A number of SIP managers remarked that government policy has strongly indicated that child poverty must be considered a fundamental part of the social inclusion / social justice agenda.

5.8 Respondents did not typically distinguish between individual / family poverty and the poverty of the area. The absence of good quality neighbourhood facilities (such as leisure, affordable childcare, healthy food and primary health care) or the presence of an unstimulating, dismal or unsafe local environment, were held to impoverish local children. One SIP manager summarised this broad definition of child poverty as: “You don’t necessarily have a rich childhood if there’s money in the family”.

5.9 The 4 recurrent themes of child poverty - low income, opportunity, aspiration and social problems – are separately discussed below. The chapter later explores how the 4 case study SIPs are tackling these aspects of child poverty, investigates perceived service gaps and identifies barriers to responding to local need.

Low income

5.10 A low income, or insufficient income to meet the family’s needs, was typically the first part of any definition of child poverty offered by respondents. ‘Common sense’ definitions of low income were offered, rather than established measures such as those used in the *HBAI* reports.

5.11 The reasons for financial poverty were identified as worklessness, low paid work, and the interactions between work and benefits.

5.12 Often employment opportunities in SIP areas are few, with Greater Govan and the Coalfields case study SIPs in particular suffering the effects of industrial decline. Those jobs which are locally available often do not match the work skills of residents. Furthermore, available jobs are often insecure, part time or low paid. Respondents argued that where residents do work they continue to suffer both the unemployment and poverty traps, each made worse by an increasingly complex means tested benefits and tax credit system. Income from benefits alone is regarded as holding families in poverty: benefit levels are not considered sufficient by respondents to lift families out of poverty.

5.13 Low income, however, was considered by almost all survey respondents and interviewees to be an insufficient definition of child poverty. A lack of money was only part of the wider problem.

Opportunity

5.14 Poverty of opportunity is where children are unable to have the same experiences as their better off peers, because their choices are restricted by their family’s financial situation. SIP staff spoke of children’s access to play, sport, arts, holidays and consumer products.

There was also mention of children's limited opportunity to access high quality mainstream services, compared to children living in non-SIP areas of Scotland.

5.15 Perhaps of more immediate concern was children's poor educational experiences and low attainment at school; health inequalities; safe play space and facilities; and their general living environment. Child poverty was seen to lead to reduced life chances, with a cycle of deprivation being identified. Breaking into this cycle, by increasing children's opportunities, is regarded as important although it is a long term solution to *addressing* child poverty: in this generation the effects are of *alleviation*.

5.16 Exclusion from community life and local decision-making processes was also highlighted by SIP staff in the survey. The need to play a full part in the community – whether through similar experiences to peers or through participation in the regeneration agenda was considered by respondents to be an important area for SIPs to address.

Aspiration

5.17 Poverty of expectation was explained as children developing lower aspirations for their own future. This may be expressed through disaffection with school, truancy / self-exclusion and low career aspirations.

5.18 It was argued by case study respondents that where children grow up in workless households they may follow their family role models and grow up as adults who chose benefit dependency. For this reason, as well as that of immediate income maximisation for families, it was thought critical to develop training and employment programmes and acceptable childcare services so that parents can be supported to move into work.

5.19 Further there is a need to raise children's skills and confidence, and hence their future employability.

Social problems

5.20 Finally, a number of social problems which are linked to child poverty were also identified. These include drug use, prostitution, domestic abuse, anti-social behaviour and exclusion from school. Little detail was given here, although there was an indication that a number of respondents were reluctant to pathologise the state of poverty by indicating a causal link in either direction between such social problems and accompanying child poverty.

5.21 SIPs could identify a number of projects which aspired to reduce these social problems, but pointed out that poverty is an underlying cause and needs to be tackled if these problems are to be overcome.

THE CASE STUDY SIPS

5.22 As indicated above, 4 SIPs were selected for in-depth consideration to exemplify different approaches to tackling child poverty. The reasons for selecting these particular SIPs are set out in Appendix 3, along with details of the projects they identified as playing a role in tackling child poverty.

5.23 Three area-based SIPs were selected, along with one thematic SIP:

- Greater Govan
- Blantyre and Hamilton
- East Ayrshire
- Dundee Xplore

5.24 The case studies were chosen to include both very urban and more rural / dispersed populations and two have a particular focus on children and young people. Brief contextual information on each of the case study SIPs is provided below, with a particular focus on each SIP's priorities.

<p>Greater Govan SIP</p> <p>Greater Govan SIP, in Glasgow, covers a population of 25,544 including the areas of Linthouse, Ibrox and West Drumoyne. The area has suffered high unemployment arising from deindustrialisation in the city and continues to exhibit a range of social problems associated with disadvantage.</p> <p>At the time of the study the SIP was in the process of developing an anti-poverty strategy, an issue regarded as having a very high priority in the local community. This was not to be a child poverty strategy, although support for families was expected to feature strongly. The aim of the SIP was to think holistically about the needs of the whole community, rather than focus on one element of that community.</p> <p>Greater Govan SIP has 5 key objectives. These are to:</p> <ul style="list-style-type: none">- develop the potential of the local community;- combat poverty;- support children and families;- involve young people in the regeneration of Greater Govan; and- provide and sustain good quality housing in an attractive environment.³ <p>Additionally, 5 cross cutting priorities are identified as themes for the partnership. These are: anti-discrimination policy and practice; the arts and regeneration; joint working; health; and community facilities.</p>

³ Greater Govan Social Inclusion Partnership *Annual Report 2001*

Blantyre and North Hamilton SIP

Blantyre and North Hamilton SIP serves a community of 24,330 residents in South Lanarkshire. Although designated as an area-based SIP, its main focus of activity is young people up to age 25. However, tackling child poverty is not a stated objective for the SIP. Rather, the overall aim is to enable those in the community to fulfil their maximum potential, whether that is in respect of health, education, employment or family life.

The SIP's 3 key objectives are to develop:

- successful and inclusive communities;
- safe and healthy communities; and
- working and learning communities.⁴

Within this there are 8 key objectives which include: child and family support; anti-poverty; and youth health and well being.

East Ayrshire Coalfields area SIP

The Coalfield SIP, in the South of East Ayrshire, covers Cumnock and Doon Valley, with a population of 28,454 falling within its remit. It is a rural area, with high unemployment arising from the retrenchment of the mining industry.

There is a Council wide anti-poverty strategy which understands poverty as being social and cultural as well as financial. It is in this framework that the SIP's work fits. Child poverty is not an identified priority. However, spending on children across a range of projects is prioritised, with this category being the second biggest percentage of SIP spending after unemployment and training.

The SIP's key objectives are to:

- increase employment opportunities;
- improve health opportunities;
- provide opportunities for pre-vocational and non-vocational learning;
- create attractive and sustainable communities; and
- improve opportunities for community participation and positive social interaction.⁵

⁴ Blantyre and North Hamilton Social Inclusion Partnership *Annual Report 2001*

⁵ East Ayrshire Coalfield Area Social Inclusion Partnership *Annual Report 2000 - 2001*

Dundee Xplore

Xplore is a thematic SIP with a remit to serve young people aged 11 to 18 living in the City of Dundee who are deemed to be at risk of social exclusion. While many of its clients are children in poverty, poverty is not a prerequisite for the service.

The SIP has 3 aims, which it addresses through 5 key areas of priority⁶. The aims are:

- creating opportunities for disadvantaged young people;
- establishing positive lifestyles and positive social relationships; and
- building an inclusive society.

The key areas of priority are: achievement; engagement; vulnerability; health; and self.

Unlike most area and thematic SIPs, Xplore is a direct provider of services to its core client group. The SIP has 4 youth counsellors who, alongside other staff, work with excluded young people at setting personal goals and negotiating appropriate rewards. It focuses on those young people in greatest need of intensive support, prioritising interventions with those considered to have the greatest potential to benefit.

THE RANGE OF CHILD POVERTY INITIATIVES

5.25 As noted above, there is general agreement by those involved in SIPs that a broad definition of child poverty is necessary. From this, it follows that diverse attempts must be made to tackle the problem. This chapter now turns to a typology of child poverty initiatives developed from responses to the survey and illustrates this with examples drawn from the case study SIPs.

5.26 It should be noted that many of the projects identified by SIPs as ‘tackling child poverty’ may not necessarily identify ‘children’ or ‘poverty’ as key objectives. Rather, the positive impact on children is a welcome by-product of services developed for some other purpose. A positive decision was taken to include such initiatives within the scope of this research.

5.27 The initiatives identified by the telephone survey of SIPs as tackling child poverty are wide-ranging. On average, area-based SIP respondents highlighted 7 discrete projects or initiatives that the SIP supported to tackle child poverty. This ranged from none (in 3 partnerships) to 15. Thematic SIP respondents highlighted an average of 3 discrete projects or initiatives that the SIP supported to tackle child poverty. This ranged from none (in 3 partnerships) to 13.

5.28 Table 5.1 shows the frequency with which SIP managers highlighted different types of initiative.

5.29 The most commonly mentioned initiatives were childcare related, including play schemes, after school services, nurseries, crèches, and initiatives to encourage the provision of quality childcare locally. These included schemes that trained local residents in childcare and supported them into childcare jobs or into becoming registered childminders (Table 5.1).

⁶ Xplore *Draft Annual Report 2001*

5.30 Second to this came a range of money services. This category encompasses benefit take-up campaigns (often with a focus on the Working Families Tax Credit), credit unions and debt advice. Also frequently mentioned were nutrition-related initiatives such as food co-ops, healthy eating guidance and breakfast clubs.

Table 5.1: Types of child poverty initiative highlighted by thematic and area SIPS

Type of initiative	Number of initiatives highlighted by ...		
	All SIPS	Area SIPS	Thematic SIPS
Childcare	38	37	1
Money services	24	22	2
Nutrition	22	20	2
Health	19	18	1
Parenting / family support	18	16	2
Sport, arts, play and leisure	17	16	1
Education	15	14	1
Employment	15	11	4
Housing support	9	6	3
Information and advice services	8	6	2
Strategic work	8	4	4
Books and toys	6	6	0
Women's services	6	5	1
Black and minority ethnic services	3	2	1
Information technology	2	2	0
Others ⁷	8	6	2

Note: SIPS may have more than one of each type of initiative (e.g., several childcare projects)

Source: Telephone survey of SIP managers, 2001

5.31 It should be noted that the table above does not imply that only 3 of the surveyed SIPS have initiatives that provide services to the local Black and Minority Ethnic communities. Rather, only 3 SIP managers identified such services as playing a role in tackling child poverty. Furthermore, because it is based on responses to an open question during a telephone survey the list of child poverty initiatives can only be regarded as indicative of the range of services supported by SIPS. Other initiatives, where perhaps child poverty is not a central objective, may not have been reported.

5.32 It is worth commenting here on the comparative weight given by respondents to services initiated or financially supported by the SIP, compared to other services that may be operating in the SIP area. Although telephone survey respondents were specifically asked about non-SIP initiatives - intended to encompass mainstream local provision and projects such as Sure Start - these were rarely mentioned. This research is consequently unable to draw conclusions about the breadth of coverage such initiatives have in SIP areas, or about relationships between SIP initiatives and other initiatives.

⁷ Initiatives mentioned by only one SIP

A TYPOLOGY OF CHILD POVERTY INITIATIVES

5.33 From the survey it became clear that child poverty initiatives may be distinguished in two ways: who the service is provided to, and whether that service alleviates the impacts of poverty or prevents future poverty. It should be noted that these distinctions do not rely on the stated objectives of services as the impact on child poverty may well be a welcome but unintended outcome of the service.

5.34 Firstly, services may be categorised according to their intended user. They may be provided directly to children and young people, they may be provided to adults who have responsibility for children, or they may be provided to all residents of the SIP area and incidentally benefit children.

5.35 Case study respondents did not show clear preferences for services provided to children or to parents. It was noted that services provided to children – such as after-school clubs – also benefit parents, while services provided to parents – such as literacy programmes – benefit their children, not least through the parent's increased self-confidence. One SIP manager reported that the SIP Board had argued for the need to think of families as a unit: children's needs cannot be met unless the needs of parents are also addressed.

5.36 Services provided to all residents which incidentally benefit children and parents were infrequently explored in depth, but this is probably a result of the clear child poverty focus of the research, rather than respondents not recognising the valuable impact of such services.

5.37 Secondly, services may be categorised according to whether they *prevent* poverty in the short or long term, or *alleviate* the impacts of poverty.

5.38 Again, case study respondents did not show a clear preference for preventative or alleviative measures. One SIP manager likened this to the tension between health promotion and the treatment of illness: current problems must be tackled but the longer-term work will reduce needs over time. It was felt that ideally SIPs would be working towards the prevention of poverty in their area, but there is an equal pressure to respond now to the needs of this generation of poor children. The 4 case study SIPs did not appear to be taking a strategic approach to child poverty.

5.39 Table 5.2 presents a broad typology of child poverty services in SIPs. This is then illustrated and further developed with examples of services provided in the 4 case study SIPs.

5.40 It should be noted that the typology above represents ideal types. In practice, services may well benefit both children and parents. Indeed it is hard to imagine a service or project of benefit to parents that does not also benefit their children. Similarly, services that alleviate the impacts of poverty will also, to some extent, either prevent poverty now or reduce the risk of poverty in the future.

Table 5.2: Typology of child poverty initiatives

	Prevention	Alleviation
Children	Services intended to reduce the risk of this generation of children becoming impoverished adults.	Services intended to reduce the impact of poverty on children's lives.
Parents/ carers	Services intended to increase parents' income through benefit take up or access to employment.	Services intended to reduce the impact of poverty by reducing parents' expenditure or increasing what they can purchase for their money.
All residents	Services intended to increase residents' income through benefit take up or access to employment.	Services intended to reduce the impact of poverty by reducing residents' expenditure or increasing what they can purchase for their money.

5.41 The following sections illustrate the typology with reference to particular services explored in the 4 case study SIP areas. The chapter then goes on to identify local gaps in services and research participants' suggestions for national responses to child poverty.

Preventative services for children

5.42 This refers to initiatives that have the objective, or unintended outcome, of reducing children's risk of becoming impoverished adults. Generally they centre around educational services, and also include projects which broaden children's horizons, raise their aspirations and provide role models of employed adults.

5.43 They may be more intensive forms of mainstream services - for example additional learning support provided in school or the provision of extra IT equipment for schools – or may be projects in the voluntary sector which support learning.

One example of such preventative services is the youth counselling provided by Xplore in Dundee. Here, children excluded from school or at risk of exclusion are given intensive support to set and achieve their own goals, with appropriate rewards negotiated between the young person and their counsellor. This offers young clients several benefits that are generally present in the lives of their peers but often absent in their own lives: experience of success; the valued attention of an adult (counsellor); and, at the end of the process, a reward which means something to them.

The approach is regarded by the SIP as highly successful at reconnecting vulnerable young people into more mainstream provision, linking them into what is available. It is believed by SIP staff that over the longer term the quality of clients' lives is improved as confidence and aspirations are raised.

Preventative services for parents

5.44 This category covers projects which prevent child poverty by increasing parents' income through benefit take up or access to employment. Often such initiatives have a particular focus on lone parents.

5.45 Most area SIPs can point to examples of anti-poverty work, training and employment projects and services which allow parents to access work. As shown in Table 5.1, 24 SIPs could identify various money services and 15 pointed to employment services which they understood to play a role in tackling child poverty. However the nature of the survey means it is not possible to distinguish which of these services were specifically targeted at parents and which were available to all residents who may or may not be parents.

Blantyre Family Centre is a council social work facility that receives a small pot of funding from the Blantyre and North Hamilton SIP. Much of the work of Centre staff is taken up with child protection work across an area wider than the SIP. However, SIP funding enables group work with parents, typically mothers, focused on building confidence and supporting participants until they are ready to move onto training or education.

The Centre's objectives are to enhance parent's capacity to be good parents, to reduce social isolation and to increase parent's self esteem.

Preventative services for all SIP residents

5.46 Similar to services identified in the category above, are projects which benefit all SIP residents, not just parents. Here, 'all residents' refers to services that do not distinguish between parents and non-parents. Services may, however, distinguish between eligible and non-eligible residents in some other way: for example by targeting black and minority ethnic residents or those with poor literacy.

5.47 As discussed above, although SIPs identified a number of preventative services it is not possible to identify who is the intended recipient of such initiatives.

Greater Govan SIP was in the process of developing an anti-poverty strategy at the time of the research. The SIP has always had combating poverty as a core aim and anti-poverty work has a high priority in the local community. The approach to development was 2-stage, with an officers conference already conducted and plans to hold a community conference in January 2002. The implementation of the strategy will be overseen by the SIP's newly developed Combating Poverty Implementation Group.

There is recognition that the strategy will need to operationalise a broad definition of poverty that looks beyond income and employment. While the strategy will be developed and implemented at a local level, the SIP intends to try to use it to inform policy development in the City of Glasgow and beyond.

Alleviative services for children

5.48 Included under this category are any services intended to reduce the impact of poverty on children's lives. These might include projects which widen children's opportunities to participate in activities like their better off peers or projects which focus on health and well-being. They are intended to make the experience of being poor less painful.

YIP world is a youth facility in the Coalfield SIP which serves an average of 200 young people each evening. A total of 1,807 young people aged 10 – 25 are registered Yip World members. Facilities on site include an IT suite, recreation room, kitchen, drama and music spaces, advice and guidance on a range of issues and breakfast clubs after-school care and holiday provision. Additionally, YIP world offers detached youth work and outreach work in schools.

The intention is to be a centre for youth services in the area, with the strategic aim of promoting social inclusion for young people. YIP world claims to raise participants' self esteem, to offer alternatives to drugs, crime and streetlife and to raise their aspirations as they get involved with different activities. Primarily, however, it is offering children access to desirable facilities without any stigma of poverty attached. Although the facility is not targeted on the poorest children many of those coming through the door are from very poor, often benefit-dependent, families.

The Recreation Partnership Project, also operating in the Coalfield SIP, has the broad remit of developing access to sports and play and of increasing health and fitness for children aged 5 to 12. The objective is to increase social interaction, with improved health through increased activity and health knowledge a secondary consideration.

One key development has been the 'Rec Card' which enables children to use leisure services for free or at a considerable discount. Approximately one quarter of the children living in the SIP area now have a Rec Card and this can be demonstrated to have increased their attendance at local leisure services. The card is available free to SIP children, and there is no means test. It is argued that this is what makes the card desirable: a similar scheme developed recently in the North of East Ayrshire which is means-tested has been markedly less popular.

Alleviative services for parents

5.49 These include services intended to reduce the impact of poverty by reducing parents' expenditure or increasing what they can purchase for their money. They may also be services that alleviate the effects of poverty, for example initiatives which concentrate on improving health or housing quality.

In Blantyre SIP, pregnant women receive supermarket vouchers to the value of £50 per month. Approximately 250 women are expected to benefit each year from this programme, which extends from 3 months into pregnancy until birth, or up to 3 months after birth if the mother is breastfeeding the child.

This Best Fed Babies programme is intended to increase women's spending on healthy food, and is in response to concern about low birth weight in the area. While the programme is currently fully-funded by SIP monies, it is hoped that in future years supermarkets will be persuaded that participation in the scheme brings new, loyal customers and therefore fund the vouchers themselves.

Alleviative services for all residents

5.50 These are services intended to reduce the impact of poverty by reducing residents' expenditure or increasing what they can purchase for their money. They may also be services that alleviate the effects of poverty, for example initiatives which concentrate on improving health or housing quality. Again, 'all residents' refers to services which do not distinguish between parents and non-parents.

In Govan, the SIP funds a Black and Minority Ethnic Outreach Worker, based in Greater Govan Housing Association. The worker's remit is to promote the understanding of housing associations in the BME community, to encourage people from the BME community to move into Greater Govan, and to support new and existing residents as necessary.

Support has included developing a multi-cultural women's group, raising awareness of BME communities among agencies and indigenous residents, housing surgeries and assistance with forms.

In Blantyre, the Up For It programme offers referred clients a free health check and consultation on lifestyle. Services related to individual needs are then allocated. These may range from the provision of nicotine patches through to membership of weight watchers and gym access.

This has been very popular within the community and there is a sense that outcomes are positive and the health of local residents is improving.

GAPS IN SERVICES

5.51 Although child poverty was not being addressed as a strategic priority within the case study SIPs it was an area of general concern. Based on local knowledge and experience interviewees were asked to identify gaps in services, the barriers to closing such gaps, and any national (Holyrood or Westminster) response which would improve the situation of children in poverty in that SIP area.

The local response

5.52 Although respondents could all point to positive developments or services that improve the situation of children in poverty in their local area, they were all able also to identify gaps in services or areas that could be improved. While some local patterns were apparent, the most frequently identified gaps, in all 4 case study areas, were: employment; childcare; recreation; mainstream services; targeting; food poverty; transport; housing; health; and education. While in each case, there were usually some efforts already being made to address the problem, respondents were calling for more, better or different provision in the area.

5.53 These suggestions for a local response are detailed below and returned to in the concluding chapter.

Employment

5.54 The need to increase the number of job opportunities for local residents was highlighted. Respondents argued that it is not enough to offer *any* jobs. Rather employment must be secure and reasonably paid to lift parents out of the poverty trap. There is also a need for services which support residents to apply for available jobs, teach them to sell themselves to potential employers, and which match residents' skills and capabilities with job opportunities. Continued postcode discrimination by employers was highlighted, and one interviewee identified both the inability to incentivise employers to employ local residents, and the inability to incentivise local residents to take employment.

Childcare

5.55 Closely aligned to improving employment opportunities was the need for more, varied, affordable and reliable childcare. While the 4 SIPs could all point to local initiatives, childcare continues to be a gap. Highlighted gaps include 'wrap around' childcare to enable parents to work, to comprise before and after school care, as well as school holiday services, the need to attach childcare to all projects which may attract parents (including social events), the need to identify what childcare exists and fill groups rather than duplicate provision. It was pointed out that good childcare is close to the child's home, not the parent's place of training / employment. Affordability was also highlighted, although childcare providers should be highly trained and well paid. This is also a mechanism for increasing local employment.

Recreation

5.56 The shortage of affordable accessible safe recreation and play facilities was also highlighted. This includes both structured services such as youth groups, sports classes and play facilities, as well as unstructured recreation such as places for teenagers to 'hangout', cheaper access to mainstream leisure services, including private sector facilities such as the cinema, and a safe space in the neighbourhood for younger children to play. In Govan, there was an identified need to make children from BME communities feel safe to use existing facilities. Making better use of existing facilities – in particular using schools during evenings and weekends and holidays – was highlighted by the Coalfields Area SIP. This was because in rural areas there are often no other community facilities.

Mainstream services

5.57 Improvements to the way that mainstream services - such as health, education, social work, benefits and housing - are delivered in local areas were also identified as necessary. Many respondents pointed to the need for a single point of access for local residents, which implies the need for improvements in joined-up working and easier information sharing. Those employed by mainstream services pointed to the need for SIPs to become more aware of the agencies' core business. They also identified their own patchy awareness of SIP initiatives and the varied projects operating in the SIP area. It was argued by respondents from SIPs, mainstream services, and projects that a greater input is required from mainstream services in their local areas. Similarly, the need for a strategic and preventative approach by

mainstream services was highlighted. Too often, it was reported, the role of social work in particular is restricted to firefighting.

Targeting

5.58 Some gaps were identified as to who is being served in SIP areas. Groups with unmet needs included: lone parents; teenagers; children and young people with mental health problems'; young mothers; excluded and self-excluded young people; young carers; the children of drug using parents; and children from BME communities. Further, several interviewees expressed a concern that the most vulnerable are not reached by services. Rather those with the lowest support needs are targeted to improve participation, retention and success rates.

Food poverty

5.59 Access to healthy and affordable food continues to be a problem in the SIP areas. Shops are inadequate, expensive or difficult to get to. There was felt to be a need to extend breakfast clubs, and some support for the idea of free school meals for all.

Transport

5.60 Expensive or inadequate public transport services were highlighted by interviewees as barriers to residents' participation in community life. Transport needs to be "safe, available, affordable" to enable young people to travel independently and access available services. It also needs to run into the late evenings. All 4 SIPs identified gaps in transport.

Housing

5.61 Low quality housing and a poorly designed and managed environment was identified as a service gap with high local priority. Greater Govan pointed to the need for housing development which is sensitive to religious and cultural requirements of people from BME communities. There is also an unmet need for a women's refuge that meets the needs of BME women fleeing violence. In Dundee, the need for independent and supported accommodation for young people was identified.

Health

5.62 Access to sexual health services, in particular contraception and guidance on safer sex, was identified as a gap in all but Blantyre and Hamilton SIP. While services may exist on a sessional basis this is not felt to be sufficient to meet the needs of young people, particularly in rural areas. In Dundee, access to mental health services for young people was also identified as a gap, particularly in respect of the transition from child to adult.

Education

5.63 Finally gaps were identified around education in both Dundee and Govan. These included: the need to train teachers to understand the difficulties faced by some children and young people; greater support for young people to continue in education or access training; and alternatives to school – such as vocational training – for excluded or self-excluded young people. It was also suggested that BME children in particular often do not have the space to study at home, and that homework clubs would therefore help their schooling.

The national response

5.64 Interviewees recognised that a local response to child poverty will never be adequate. They suggested a range of policy responses which need to be implemented either by the devolved Scottish Parliament or by Westminster if child poverty is to be alleviated now or prevented in later generations. These suggestions for a national response are detailed below, and returned to in the concluding chapter.

5.65 The context for these suggestions is, however, that both the Scottish Executive and the UK Government have shown a commitment to tackling child poverty. Interviewees appreciate the priority that this area is being given by government, and their suggestions were offered in a spirit of building on what has already been implemented or promised. As one interviewee stated, for those concerned with tackling child poverty “this is a time of opportunity”.

5.66 Suggestions for change at the national level fall into 6 broad themes. These are:

- increasing families’ out of work benefit income
- increasing families’ in work income
- making agencies’ work easier
- alleviative measures
- preventative measures
- childcare.

5.67 The themes are discussed in turn, below. All suggestions for national change were proffered by more than one interviewee unless otherwise indicated.

Increasing families’ out-of-work benefit income

5.68 This theme was referred to in all 4 SIPs, and by almost all interviewees. There was a recognition that benefit income for families out-of-work had increased but this was felt to still offer an insufficient income. Children living in families on benefits are children in poverty. While it was felt that there is a need to create incentives to work, low benefits for those out of work are not considered the appropriate mechanism. While interviewees might offer longer-term measures to reduce the numbers of children in families dependent on benefit income, in the short term raising benefit levels, tackling high rates of benefit withdrawal and simplifying the benefits system were seen as critical steps.

5.69 One interviewee called for a recognition of the ‘work’ of parenting, and promoted the concept of a social wage / assured family income. Higher levels of child benefit were also regarded as necessary by many interviewees and there were calls to end, or at least reduce, the reliance on means-testing. Several respondents called for more explicit support for the choice that mothers may make to stay at home and care for their children, particularly but not only when children are young.

5.70 As well as improving benefit levels, interviewees called for benefit entitlement to be widened. Of particular concern was a perceived need to end the lower level of benefit entitlement to young people; and to provide a new benefit entitlement to pregnant women, throughout their pregnancy, in recognition of the increased costs of pregnancy and the probable benefits to the unborn child.

5.71 The final suggestions towards improving families’ benefit income were on the theme of assisting people to understand an increasingly complex benefits system. One interviewee suggested the creation of a national integrated money advice / benefits service, while others argued that the Benefits Agency should focus on more entitlement, not fraud.

Increasing families’ in-work income

5.72 Several mechanisms for increasing families’ in-work income were identified by interviewees.

5.73 Firstly, increasing the number of families in work was felt to be critical. This has several components: increasing the number of full time jobs available to residents of disadvantaged areas; increasing access to employment; reviewing the interaction between work and benefits for parents and particularly for lone parents; and addressing the additional costs of working such as transport and childcare (discussed below).

5.74 Second, it was argued that there is a need to make work pay. Parents who wish to take paid employment should be better off than those not in work. Respondents argued that there is a need to increase the level of the minimum wage significantly, and to simplify the system of in-work benefits. One interviewee argued that the complexity of wage income, tax credits, in-kind benefits and cash benefits is confusing and makes it difficult to know whether parents would be better off in work.

5.75 Finally, suggestions were made for improving the support offered by the Working Families Tax Credit (WFTC). Several respondents argued that the eligibility rules should be amended so that informal childcare arrangements also qualify for payment. It was argued that this would particularly benefit parents with extended family living nearby and those from black and minority ethnic communities who tend not to use formal childcare structures. One respondent argued that the government should extend WFTC to include families with children aged 16-18.

Childcare

5.76 Improving the amount, quality, and affordability of childcare was also felt to be a need which must be addressed at the national level. More specific suggestions were rarely

made, but this theme had a high priority for respondents. Without access to affordable and trustworthy childcare parents are unable to leave benefit dependency: respondents saw childcare as the foundations of tackling child poverty.

Alleviative measures

5.77 A number of measures which would alleviate the impacts of poverty were suggested by case study respondents. One key approach suggested was that schools should be required to be 'health promoting' schools. This would entail reducing the pressure on schools to generate income, which they currently do by offering school children access to vending machines and tuck shops. It was also argued that school meals should be of improved nutritional benefit, more varied, and available free to all pupils. Removing the means test from free school meals would remove stigma which is particularly important during teenage years. Improving the nutritional benefit of school meals would improve health in the longer term and may also improve educational outcomes as children are in a better position to study through the day.

5.78 There was also a focus on improving housing and the local environment which case study respondents felt needed to be driven nationally. This might include central funding for renovation work so that all households have dry, warm homes that are energy efficient and affordable to run even for low income families.

5.79 Finally, the need for increased subsidy for public transport in rural areas and the need to improve children's play space were each mentioned by one respondent.

Preventative measures

5.80 A number of measures that would prevent this generation of children from becoming the next generation of poor adults were suggested by case study respondents. These all focused on education, training and employment.

5.81 More specifically there was a call for further investment in teachers and school support staff so that disaffected and excluded children could continue in school. One respondent argued for more public spending on excluded children.

5.82 It was argued that young people may currently be making rational choices to opt out of education and training, and to choose to be benefit dependent adults. Respondents pointed to the need to raise the work aspirations of young people and to make employment worthwhile for them. As one respondent stated: "don't expect them to take McJobs".

5.83 To make education and training more attractive was the third strand of preventative measures suggested. The quality of existing training schemes was criticised and respondents pointed to a mismatch between the skills developed through existing training and those required by available jobs. One respondent argued for a national strategy for vocational education, which would be available to young people below school leaving age if school was not meeting their needs. Another argued that to attract young people from impoverished areas into higher education there is a need to abolish student loans and reinstate the grants system.

Making agencies' work easier

5.84 Many suggestions were made for change at the national level which would make it easier for agencies to deliver services to SIP residents and tackle child poverty at the local level. These can be summarised as: funding; information sharing; monitoring and evaluation; and rationalising agencies.

5.85 As might be expected, funding issues received most attention from interviewees. There were calls to increase the funding available to mainstream services, in particular to local authorities, and to allow local priorities to determine how money is spent.

5.86 The system of bidding for funding, annualised funding and central direction on how money can be spent all came in for criticisms. It was argued that funding streams should be simplified, fewer in number, available for longer periods and with more realistic timescales for funding applications. The funding process as it stands was felt to impede the effective provision of services. Agencies must respond to government priorities rather than locally identified need. Such opportunism does not allow the best possible use of the money and often limits the ability to truly consult and work with existing community bodies.

5.87 More positively, it was felt that there was scope for the Scottish Executive to identify potential private sector donors and assist in matching their potential sponsorship with funding opportunities.

5.88 The role of government to disseminate information and assist SIPs' learning was highlighted by many. Interviewees felt that standards of best practice should be developed and disseminated at a central level, and that the Scottish Executive should be more proactive in identifying and disseminating examples of good practice from Scotland and elsewhere.

5.89 Distinct from this, but still on the theme of information sharing, many interviewees felt that service delivery was impeded by the requirements of data protection. It was strongly argued that the government should take steps to encourage agencies to share information with one another at the local level. Such local sharing of information on individuals can be done under the existing rules of the Data Protection Act, but agencies continue to feel uncomfortable.

5.90 Related to funding issues was the call for monitoring and evaluation requirements to be streamlined simplified and made less onerous. A single monitoring framework and timescale, agreed by all funding agencies, would reduce the overall burden of monitoring and evaluation that many interviewees felt to be excessive, even unsustainable. There was also a call to recognise the importance of soft indicators as well as quantitative data when judging the success of initiatives.

5.91 Finally, there were calls for reorganising and rationalising the way that agencies operate in Scotland. Several interviewees argued that the SIP approach should be extended across Scotland, as resourced partnership working which is capable of leveraging in additional funding is needed in all areas, not just where bids were successful.

5.92 In a climate that requires partnership working, interviewees argued that this can be impeded by the way that agencies are set up. In particular, joint work is felt to require coterminous local authority and health board boundaries, which is not always the case at

present. The relationship which SIPs and partner agencies have with central government was also raised as an area where improvements could be made. These included calls for government consistency in the sense of both long term planning and joined up government. One suggested mechanism for doing this was to encourage civil servants / ministers to develop expertise and stay in that field, rather than moving into other fields for career advancement. Respondents argued that local government and local decision-making should be strengthened, with less direction from the centre.

SUMMARY

5.93 This chapter has shown that child poverty is not being tackled in a strategic manner in SIPs. Rather, initiatives introduced for a range of reasons are fortuitously also impacting on child poverty. However, SIP managers and other respondents were consistent in the importance which they have given to the problem of child poverty.

5.94 Participants did not generally differentiate between the cause of poverty and its impacts on a child's life and life chances, nor did they differentiate between individual poverty and the poverty of the area. Low family income was one of 4 recurrent themes of child poverty. Respondents also pointed to a lack of opportunity, low aspiration and social problems as components of the problem of child poverty.

5.95 A typology which distinguishes between preventative and alleviative services was introduced, although no clear preference emerged for one approach over the other. The typology also distinguished between intended beneficiaries of services - children, parents, or all residents - and again no preferred approach was discerned. The impression is one of ad hoc services being developed in response to local issues rather than a strategic approach to child poverty within SIPs.

5.96 The research approach did not allow an evaluation of the effectiveness of such services or their popularity with children or parents. Case study participants did claim that their initiatives were having an impact on the quality of local childrens' lives and life chances. However, evidence was not available to judge such claims. In any case the final judgement cannot be passed on many of the projects until today's children have grown up.

CHAPTER SIX CONCLUSIONS

CHILD POVERTY IN SCOTLAND

6.1 Child poverty increased dramatically in Scotland, and in Britain more generally, during the 1980s and 1990s. It did so at a faster rate than in almost all other advanced welfare states over this period. Scotland (and Britain as a whole) has one of the largest proportions of children in poverty among the OECD nations.

6.2 The evidence suggests, however, that child poverty in Scotland has fallen slightly since the late 1990s. Robust employment and rising real wages within a more stable macro-economy are likely to be important factors helping to explain this recent decline in child poverty. The Scottish Executive and UK Government's commitment to tackling the problem have also helped to reduce the number of children in poverty. As discussed in Chapter Two, a raft of measures at national and local level has been introduced to address child poverty and social exclusion more generally.

6.3 The latest available evidence indicates that the proportion of children in poverty in Scotland is at last beginning to fall, as is the proportion of children living in workless households. Although progress to date has not been dramatic, the numbers are now moving in the right direction. The fact that progress is slow is an indication of the magnitude and complexity of the problem.

6.4 However, despite signs of progress, the numbers of children in poverty remain large. The evidence suggests that, in 1999/2000, 3 out of every 10 children in Scotland were in poverty, defined as living in a family where disposable income, after housing costs, was less than 60 per cent of the GB median. This is still a very high figure compared with other countries in the European Union.

6.5 Child poverty is not distributed evenly across the population, but instead affects some types of household much more than others. This report has shown that, in 1999/2000, the incidence of child poverty in Scotland was especially high among children living in households where the highest income householder was not in work and particularly those where no-one was in work. It was also very high among lone parents, families with 3 or more children, parents under the age of 25, and tenants in social and private rented housing. These types of family consequently accounted for a disproportionate share of Scotland's children in poverty.

6.6 The rate of child poverty was also found to be higher in urban Scotland than in rural Scotland. Correspondingly, urban areas accounted for a disproportionately large share of children in poverty. The City of Glasgow was also found to account for a larger proportion of children in poverty than its share of all children in Scotland. Residential areas broadly characterised as 'disadvantaged council estates' and 'families in council flats' also accounted for a disproportionate percentage of children in poverty.

6.7 The risk of children in Scotland being poor varied according to different sub-groups of families and households, even when other factors were held constant. By far the most important determinant of child poverty was the employment status of adults in the household. This confirms that paid work is the surest route out of poverty, even if – in 1999/2000 – it

was not always a sufficient one. Data are not yet available, but the position may have improved since 1999/2000 because of recent measures such as increases in the national minimum wage, improvements to the Working Families Tax Credit and substantial real increases in Child Benefit. These developments should have helped to reduce child poverty among working households.

6.8 The research also confirmed for Scotland that the risk of child poverty was significantly lower among households where there were 2 earners than among either couples with one earner or lone parents in employment. Esping-Anderson has argued that the 2-partner household may be the best model for ensuring that the risks of poverty are minimised (cited in Oxley *et al*, 2001). But equally it could be argued that the welfare state needs to adapt to take into account the fact the relationship breakdown and divorce are pervasive and that new ways are needed to minimise the risk of poverty among one-earner households.

6.9 An important obstacle to work for partners in couple households and for lone parents is the need for childcare. Research has indicated that this obstacle concerns not just the cost of childcare but also its quality and availability. The Working Families Tax Credit covers 70 per cent of the cost of childcare. However, since the credit covers only formal sources of childcare, which can be very expensive, the remaining 30 per cent which the claimant has to pay can be a considerable sum, especially for those whose earning potential is quite low (cf. Vleminckx and Smeeding, 2001). Moreover, formal sources of childcare may not be desirable, available or suitable when the jobs on offer involve weekend work, irregular hours or shift work.

6.10 While worklessness is a major cause of child poverty, employment alone is not going to abolish it (Bradshaw, 2001c). For a variety of reasons, there will always be some children living in households where nobody is in paid work. An important reason why the rate of child poverty is so high among workless households is that the level of social security benefits is insufficient to ensure that they have an income that is not below 60 per cent of median income. This is one reason why child poverty is so high in Scotland (and in Britain more generally) compared with other OECD countries (Bradshaw, 1999).

6.11 The recent substantial increases in Income Support and Jobseekers Allowance benefit rates for children, especially those for children under 11 years of age, should help to reduce the rate of child poverty among workless households. Nevertheless, further increases in benefit rates may be necessary if the goal of defeating child poverty is to be achieved. Annual uprating of benefits in line with average earnings instead of retail prices may also be necessary.

CHILD POVERTY IN SIPS

6.12 The level of child income poverty was not one of the explicit criteria used by the Scottish Executive to select bids for Social Inclusion Partnerships. Nevertheless, the research reported here has shown that area-based SIPS contain a disproportionate share of the problem. It was found that, in 1999/2000, SIPS accounted for 16 per cent of children in Scotland, but for 29 per cent of children in poverty (again defined as below 60% of median income). The rate of child income poverty within SIPS was much higher than in the rest of Scotland. Indeed, half of all children in SIPS were found to be poor, compared with a quarter of

children elsewhere. In other words, the incidence of child poverty was twice as high within SIPs as elsewhere.

6.13 Not only was the incidence of child income poverty much higher in SIPs than in other parts of Scotland, its composition was different. Children experiencing income poverty within SIPs exhibited more socio-economic deprivation and other indicators of disadvantage than poor children living in the remainder of Scotland. To that extent, children living in poverty within area-based SIPs were worse placed than those living elsewhere.

TACKLING CHILD POVERTY IN SIPs

6.14 It was noted above that child poverty was not one of the explicit criteria used to evaluate and select Social Inclusion Partnerships. SIPs aim to improve the lives of residents of designated areas, with a remit including, but not restricted to, economic change and urban regeneration. Whereas area-based SIPs, as the name implies, target specific geographical localities, thematic SIPs target particular groups at risk of social exclusion, such as young people, black and ethnic minority communities, and prostitutes.

6.15 Given that they are potentially an important vehicle for helping to tackle child poverty at the local level, it is important to understand how SIPs perceive the problem. It was found that, despite the varying nature of the situations in which SIPs work and their differing objectives, SIP managers and other respondents held a broadly similar perception of child poverty. The one exception to this was that they differed in their definition of the term 'children'. SIPs and SIP-supported projects worked with a variety of different definitions of 'children', in some cases because funders or statutory agencies themselves used different definitions.

6.16 Respondents in SIPs did not generally differentiate between the causes of poverty and its impacts on children. Nor did they differentiate between child poverty and the poverty of the area in which they were working. Indeed, they argued that neighbourhood effects meant that children could be affected by poverty even where their own family's income was above poverty levels. Indeed, SIP respondents understood child poverty in a much broader way than simply lack of income. Respondents also pointed to a lack of opportunity, low aspirations, and social problems (such as drug misuse, domestic violence, and anti-social behaviour) as important components of the problem of child poverty.

6.17 While SIP respondents considered child poverty to be a fundamental part of the social inclusion agenda, few had explicitly identified it as a substantive theme of their work. The projects that they identified which helped to tackle child poverty did not necessarily have 'children' or 'poverty' as key objectives. In so far as these projects helped to prevent or alleviate child poverty, it was as a beneficial outcome of services developed for some other primary purpose.

6.18 To the extent that child poverty is bound up with, or cannot be isolated from, wider aspects of social exclusion, this indirect approach has considerable merit. Tackling social exclusion and disadvantage in general will inevitably help to reduce child poverty (broadly conceived) or at least to reduce the impact of poverty. Nevertheless, it appears that SIPs are not at present giving strategic priority to tackling child poverty and that this may have implications for their contribution to defeating it.

6.19 However, it is important to note that SIPs cannot tackle child poverty in isolation. The causes and impacts of child poverty frequently lie beyond the powers of SIPs. For example, while they can pursue an income maximisation strategy (for example, via benefit take-up campaigns) they cannot raise claimants' income above benefit levels set by the Government. This serves to underline the importance of mainstream public services such as health, education and social services, not to mention national-level measures such as the minimum wage, Working Families and Disabled Persons Tax Credits, and the various New Deals for the unemployed.

6.20 Nevertheless, SIP managers identified a wide range of gaps in services that could have an impact upon child poverty. The most frequently mentioned included a shortage of suitable, well-paid employment opportunities, deficiencies in childcare, inadequate public transport, and insufficient funding for mainstream health, education and social work services. The Scottish Executive has announced commitments to substantial increases in expenditure on health, education and transport which should help to reduce many of the gaps identified. However, it also appeared that SIPs' responses to child poverty were perhaps not as fully co-ordinated as they might have been if SIPs had been required to give strategic priority to child poverty.

RECOMMENDATIONS AND ISSUES ARISING FROM THE RESEARCH

6.21 While the rate of child poverty is much higher in SIPs than elsewhere, the majority of poor children in Scotland do not live within the boundaries of an area-based SIP. Actions to tackle child poverty should therefore reach poor children wherever they are living and not just those living in deprived areas. Hence it is important to ensure that national-level initiatives and mainstream public services have a remit that includes tackling child poverty.

6.22 Nevertheless, this research suggests that there may be considerable merit in seeking to focus, at least to some extent, locally-based efforts to defeat child poverty on areas of acute social and economic deprivation such as Social Inclusion Partnerships. Not only is the rate of child poverty particularly high in SIPs (and probably in similarly deprived but undesignated areas), but poor children face a worse start in life there than do poor children elsewhere.

6.23 Although SIPs are playing an important role in the battle against child poverty, it is not an explicit one. Instead, it is more of a positive by-product of the work they are doing to tackle socio-economic deprivation and disadvantage more generally. The Scottish Executive might therefore wish to consider whether SIPs should be given an explicit goal of targeting child poverty, broadly conceived, in order to make clearer and more co-ordinated progress towards the ambitious goal of defeating this problem within a generation. There is of course the danger that SIPs might suffer from goal overload – and local identification of priorities remains important – but there is equally the danger that, without such a goal, their contribution to defeating child poverty may be unfocused.

6.24 The Scottish Executive could also consider how it might enable SIPs and mainstream public service providers to fill the gaps identified in the case study interviews with SIPs. Particular attention could be given to gaps in provision that may be creating barriers to SIP residents taking up work opportunities - such as childcare (cost, quality and availability) and transport (again, cost, quality and availability). These efforts could focus especially on

improving provision outside of 9 to 5 office hours and at weekends, when childcare and public transport may be difficult to access or be very limited in availability.

6.25 Finally, consideration could be given to undertaking further research on child poverty and especially on the contribution that SIPs are or could be making towards defeating it. An important limitation of the research reported here is that it did not involve interviews with the users of SIP services and facilities, which of course include children as well as their parents. For example, relatively little is known about how children in SIPs and elsewhere in Scotland perceive and experience poverty and how it affects their expectations and aspirations. There may also be a case for an *evaluation* of the contribution that SIPs are making towards defeating child poverty. This would ideally have a longitudinal component and also include interviews with parents and children.

REFERENCES

Adelman, L and Bradshaw, J (1998) *Children in Poverty in Britain: An Analysis of the Family Resources Survey 1994/95*, Social Policy Research Unit, York: University of York

Barnes, M (2000) 'Ending Child Poverty – Can New Labour Succeed?', *Benefits*, September/October, pp1-5

Bradbury, B and Jantti, M (1999) *Child Poverty Across the Industrialized Nations*, Innocenti Occasional Paper, Florence: UNICEF International Child Development Centre

Bradshaw, J (1999) 'Child Poverty in Comparative Perspective', *European Journal of Social Security*, Vol. 1, pp383-406

Bradshaw, J (2001a) 'Introduction' in Bradshaw, J (ed.) *Poverty: The Outcomes for Children*, London: Family Policy Studies Centre

Bradshaw, J (ed.) (2001b) *Poverty: The Outcomes for Children*, London: Family Policy Studies Centre

Bradshaw, J (2001c) 'Conclusions' in Bradshaw, J (ed.) *Poverty: The Outcomes for Children*, London: Family Policy Studies Centre

Department of Social Security (2000) *Households Below Average Income*, London: The Stationery Office

Department of Social Security (2001) *Households Below Average Income 1994/5 – 1999/00*, London: The Stationery Office

Goodman, A, Johnson, P and Webb, S (1997) *Inequality in the UK*, Oxford: Oxford University Press

Gregg, P (1999) 'The Impact of Unemployment and Job Loss on Future Earnings', in J Hills (ed.) *Persistent Poverty and Lifetime Inequality*, CASE Report 5, London: HM Treasury/LSE

Gregg, P, Harkness, S and Machin, S (1999) *Child Development and Family Income*, York: Joseph Rowntree Foundation

Gregg, P and Wadsworth, J (eds) (1999) *The State of Working Britain*, Manchester: Manchester University Press

Hills, J (ed.) (1996) *New Inequalities*, Cambridge: Cambridge University Press

Hills, J (ed.) (1998) *Persistent Poverty and Lifetime Inequality*, CASE Report 5, HM Treasury Occasional Paper No. 10, London: LSE

HM Treasury (1999a) *Supporting Children Through the Tax and Benefit System*, London: HM Treasury

- HM Treasury (1999b) *Tackling Poverty and Extending Opportunity*, London: HM Treasury
- HM Treasury (2000) *Supporting Children Through the Tax and Benefit System*, London: HM Treasury
- HM Treasury (2001) *Tackling Child Poverty*, London: HM Treasury
- Hobcraft, J and Kiernan, K (1999) *Childhood Poverty, Early Motherhood and Adult Social Exclusion*, CASE Paper 28, London: LSE
- Johnson, J (2001) 'Childhood Morbidity', in Bradshaw, J (ed.) *Poverty: The Outcomes for Children*, London: Family Policy Studies Centre
- Machin, S (1998) 'Childhood Disadvantage and Intergenerational Transmissions of Economic Status' in A B Atkinson and J Hills (eds) *Exclusion, Employment and Opportunity*, CASE Paper 4, London: LSE
- Oxley, M, Dang, T, Forster, M F and Pellizzari, M (2001) 'Income Inequalities and Poverty Among Children and Households with Children in Selected OECD Countries', in K Vleminckx and T M Smeeding (eds) *Child Well-being, Child Poverty and Child Policy in Modern Nations*, Bristol: The Policy Press
- Scottish Executive (1999) *Social Justice: A Scotland Where Everybody Matters*, Edinburgh: Scottish Executive
- Scottish Executive (2001) *Social Justice: Annual Report 2001*, Edinburgh: Scottish Executive
- Sutherland, H and Piachaud, D (2001) 'Reducing Child Poverty in Britain: An Assessment of Government Policy 1997-2001', *Economic Journal*, Vol. 111, pp F85-F101
- UNICEF Innocenti Research Centre (2000) 'A League Table of Child Poverty in Rich Nations', *Innocenti Report Card No. 1*, June, Florence: UNICEF Innocenti Research Centre
- Vleminckx, K and Smeeding, T M (2001) in K Vleminckx and T M Smeeding (eds) *Child Well-being, Child Poverty and Child Policy in Modern Nations*, Bristol: The Policy Press

APPENDIX ONE DEFINING INCOME

The purpose of this technical appendix is to clarify certain aspects of the analysis which could not be outlined in any detail within the main text of the report. We have mentioned in numerous places throughout this report that our methodology and definitions would follow those used by the Department for Work and Pensions in their work and annual reports on the Household Below Average Income (HBAI) data sets. However, the Scottish Household Survey does not collect exactly the same data as that gathered by the HBAI and so some discrepancies can occur when attempting to replicate certain key variables and information for cross comparison between the 2 data sources. Thus, this section will clarify and highlight those differences, to help ensure that incorrect conclusions are not inferred from the analysis.

Definition of Income

Income is the key driver behind all of the analysis presented in this report and it is therefore essential that due care and consideration are given to its definition and calculation and that any important points are duly flagged up. Our definition of income used for the Scottish analysis is annual net (i.e. disposable) income of the household after housing costs. Before proceeding to a description of the actual components of income, an important difference needs to be highlighted here with the definition used in the HBAI analysis. The Scottish Household Survey does *not* include the incomes of any other people in the household other than the highest income householder and his/her spouse/partner. If other adults are living in the household then their income is not recorded and subsequently it cannot enter into the calculation for net disposable income. Thus, there will be a serious bias in the calculations of income for large households consisting of more than 2 adults within the SHS. The HBAI data set on the other hand records data on income for all individuals within the household.

The actual components of income that make up total income within the 2 data sets are listed below.

For the **HBAI** data, gross income is made up from the following sources:
(HBAI report 2000, page 193, Appendix 1)

1. Usual net earnings from employment
2. Profit/loss from self employment
3. All social security benefits
4. Income from occupational and private pensions
5. Investment income
6. Maintenance payments (if a person receives them directly)
7. Income from educational grants and scholarships
8. Cash value of (free school meals, free welfare milk, free school milk)

NET disposable income consists of gross income net of the following:

1. Income tax payments
2. National Insurance Contributions
3. Domestic rates/council tax
4. Occupational pension schemes contributions

5. Personal pension schemes
6. Maintenance and child support payments
7. Parental contribution to students living away from home

For the SHS, annual gross income is made up of:

1. Usual net earnings from employment
2. Income from income support
3. Income from family credit
4. Income from jobseekers allowance
5. Income from housing benefit
6. Income from council tax benefit
7. Income from earnings top-up
8. Income from child benefit
9. Income from lone parent child benefit
10. Income from maternity allowance
11. Income from state retirement pension
12. Income from maternity pay
13. Income from other state benefit
14. Income from widows pension
15. Income from incapacity benefit
16. Income from disability working allowance
17. Income from DLA Care Component
18. Income from DLA Mobility
19. Income from injury/disablement benefit
20. Income from Invalid care allowance
21. Income from Severe Disablement benefit
22. Income from statutory sick pay
23. Income from war disablement benefit
24. Income from IS/HB disability premium
25. Income from attendance allowance
26. Income from other disability benefit
27. Income from non-state pension
28. Income from annuity
29. Income from maintenance payments
30. Income from rent
31. Dig money
32. Income from accident/sick scheme
33. Income from investments
34. Student loan
35. Income from grant
36. Other misc. income

NET income is gross income (all of the above) net of

1. Income tax payments
2. National Insurance Contributions
3. Occupational pension schemes contributions
4. Personal pension schemes
5. Union dues
6. Other unspecified deductions

Thus, the main differences in “income” between the 2 data sets are:

- Domestic rates/council tax omitted from SHS definition of “NET”
- Maintenance and child support payments omitted from SHS definition of “NET”
- Parental contribution to students living away from home omitted from SHS definition of “NET”

These differences, taken together with the important omission of other adults’ income in households larger than 2 adults, highlight the fact that cross comparison of income calculations between the 2 data sets is impossible. This should be borne in mind at all times when drawing conclusions from the analysis.

It is very common in applied work within the area of poverty research to further refine the definition of income to exclude a measure of housing costs. We also adopt this convention. However, as before, the measure of income after housing costs (AHC) for the HBAI differs from that for the SHS.

The HBAI definition of housing costs that are subtracted from net disposable income consists of the following:

- Rent (gross of housing benefit);
- Water rates, community water charges and council water charges;
- Mortgage interest payments (net of tax relief);
- Structural insurance premiums (for owner occupiers);
- Ground rent and service charges

For the SHS data, information on council water charges, structural insurance premiums and the community charge are not recorded. The SHS does not collect data on council tax bands either, so a charge cannot even be inferred or imputed for any of the households within the SHS data sets. Thus, the housing costs subtracted from annual net income within the SHS are:

- Rent (gross of housing benefit)
- Mortgage Interest Payments

Once these costs have been subtracted we have a value for annual net disposable income after housing costs.

These differences in the treatment between the SHS and HBAI meant that the estimates of child poverty rates differed between the 2 surveys. Consequently, where the incidence of child poverty was calculated using SHS data, an adjustment was necessary to bring it into line

with that produced by HBAI. The adjustment factor that was applied to the SHS estimates was that which was necessary to produce total child poverty rates that were the same as those for Scotland as a whole for each of the 3 income poverty thresholds. These totals were 19 per cent for children below 50 per cent of median income, 29 per cent for children below 60 per cent of median income, and 38 per cent for children below 70 per cent of median income (see Table 3.3). The data to which this adjustment factor was applied are urban versus rural child poverty rates (Table 3.9) and SIP versus non-SIP child poverty rates (Table 4.2).

Equivalised Income

The measure of income calculated as above must go through one further adjustment before it can be used for analysis. This adjustment is called equivalisation where the income figure for the household is adjusted to reflect the household's size and composition because different households of different size will require a different level of income to achieve the same standard of living. This adjustment is carried out using equivalence scales which have been constructed to take into account the different sizes and compositions of households.

The scales we used are the McClements Scales which are identical to those used in the HBAI report and are given in the following table⁸.

Table A1 McClements Equivalence Scales (AHC)

Member of Household	Weight
Head	0.55
Spouse	0.45
Other second adult	0.45
Third adult	0.45
Subsequent adults	0.40
Lone parent addition	n/a
Each disabled adult	n/a
Each disabled child	n/a
Each dependent aged:	
0-1	0.09
2-4	0.18
5-7	0.21
8-10	0.23
11-12	0.25
13-15	0.27
16 or over	0.36

Source: HBAI Report (2000)

Equivalence scales need to have a reference point or family/household to which other incomes can be adjusted. Most scales take a couple household as the reference point (i.e they have an equivalence or weighting of 1 viz. (0.55+0.45)) so that households with just one member will have their income increased relatively speaking and a large family will have their income reduced relatively speaking.

⁸ Equivalence scales for income measures before housing costs (BHC) are also available. See HBAI Report (2000), appendix 4.

Thus a household consisting of a head, spouse and one child aged 1 year old would have a weight of 1.09 (0.55+0.45+0.09).

Mentioned earlier was a problem of non-reporting of additional adult income in households of 3 adults or more. This has consequences for the equalisation of household income in that weights cannot be attached to every person in the household as not every person's income was reported. Consequently, for households of 3 adults or more the weights attached to these households are the same as the weights attached to couple households as only 2 incomes are reported. To equalise the income from large adult households using weights for ALL adults would lead to the equalised income being seriously under reported.

Imputation of Key Variables

In any large scale data set such as the SHS or HBAI there are inevitably a number of missing values for some data. This tends to be most common for questions relating to income, housing costs, benefit income etc and other such 'sensitive' data. Within the SHS 34% of all income data (including benefit income) has been imputed. In other words, households who did not provide sufficient income data had a value assigned to them. For the SHS, this imputation was carried out by System 3 Ltd, one of the 2 SHS survey firms.

When our research team started to interrogate the SHS data we found that a significant proportion of households were also missing data for their housing costs. Thus we were missing data on gross rent as well as mortgage payments. Given, that the research has to operate at a small spatial scale we felt that we could not ignore this problem and opted to impute housing costs for those households who did not provide such data. Our preferred method of imputation was via 'Hotdecking' as practiced by the Department for Work and Pensions, who produce the HBAI data set.

Hotdecking is a procedure of assigning data to households with missing values from households with similar characteristics who did provide the required data. To carry out this procedure manually is a huge time consuming task so to avoid this the research team purchased a piece of software called *SOLAS v3.0 for Missing Data Analysis*, that automates the process of data imputation. In order to impute the data we then had to select some household characteristics that could then be used to extract a value for the missing data. To this end we used area of residence, property type and age of highest income householder to select households for the imputation of mortgage payments and property type and area of residence for imputation of gross rent. The missing values were replaced and the analysis proper could then proceed.

APPENDIX TWO SOCIAL INCLUSION PARTNERSHIPS AND ELSEWHERE COMPARED

Chapter Four summarises some of the most important social and demographic differences between children living in Social Inclusion Partnership areas and children living in other parts of Scotland in 1999/2000. For the record, this Appendix includes additional statistical data comparing SIP areas with non-SIP areas.

Table A4.1 Composition of households with children by socio-demographic characteristics by location of residence in, 1999/2000 (% of children)

	SIP area %	Elsewhere %
<i>Age of HIH</i>		
16 to 24	8	3
25 to 44	80	81
45 and over	11	17
<i>Gender of HIH</i>		
Male	49	72
Female	51	28
<i>Marital status of HIH</i>		
Married or cohabiting	55	81
Single, never married	23	7
Widowed, separated or divorced	22	12
<i>Household type</i>		
Lone parent	37	16
Small family	32	50
Large family	32	34
<i>Number of children in family</i>		
One	26	26
Two	38	47
Three or more	36	27
<i>Ethnic background of HIH</i>		
White	98	98
Other	2	2
<i>Tenure</i>		
Owner-occupation	27	69
Social renting	70	26
Private renting	2	5
<i>Educational qualifications</i>		
Yes	59	83
No	41	18
<i>Limiting illness, health problems or Disability</i>		
Yes	25	17
No	76	83

The figures are arranged in columns. HIH is highest income householder.
Source: SHS 1999/2000 (own analysis)

Table A4.2 Composition of households with children by work and family status by location of residence in 1999/2000 (% of children)

	SIP area %	Elsewhere %
<i>Economic Status of HIH</i>		
Working	53	84
Higher or further education	2	1
Permanently retired from work	1	1
Permanently sick or disabled	6	2
Other not working	38	13
<i>Work status of household</i>		
Working	53	85
Not working	47	16
<i>Household work status</i>		
Single adult in work	11	9
Single adult not in work	34	10
Couple both in work	25	51
Couple, one in work	17	25
Couple, neither working	13	5

The figures are arranged in columns.

Source: SHS 1999/2000 (own analysis)

Table A4.3 Composition of households with children by savings and investments by location of residence in 1999/2000 (% of children)

	SIP area %	Elsewhere %
<i>Savings or investments?</i>		
Yes	22	53
No	78	47
<i>Amount of savings or Investments*</i>		
£1 to £1,000	43	22
£1,000 to £4,999	22	22
£5,000 to £9,999	6	11
£10,000 or more	6	20
Refused	24	24

* These percentages include only children living in households that did have savings

The figures are arranged in columns.

Source: SHS 1999/2000 (own analysis)

Table A4.4 Composition of households with children by selected assets by location of residence in, 1999/2000 (% of children)

	SIP area %	Elsewhere %
<i>Bank or building society account?</i>		
Yes	67	91
No	33	9
<i>Number of cars to which has access</i>		
None	54	19
One	38	51
Two	8	28
Three or more	0	2
<i>PC or internet access at home</i>		
PC and internet access	13	33
PC but not internet access	20	23
No PC or internet access at home	67	44
<i>Home contents insurance?</i>		
Yes	49	82
No	51	18

The figures are arranged in columns.

Source: SHS 1999/2000 (own analysis)

APPENDIX THREE QUALITATIVE RESEARCH METHODS

The qualitative component of this research into child poverty in Scotland falls into 2 parts: an initial telephone survey to collect information on SIPs' work; and interviews and documentary analysis in 4 case study areas.

Telephone Survey

Managers of all area-based and thematic SIPs were contacted during July and August 2001 to obtain initial information on child poverty through a telephone survey. The objective was to use this data to assist in the selection of 4 case studies.

The telephone survey included questions on the extent to which SIP managers saw child poverty as within the SIP's remit, their perceptions of 'child poverty' and brief details of child poverty initiatives they would highlight.

The survey was completed by 41 SIP managers or their representatives: 6 SIPs could not be contacted in the time available and one refused to participate.

Case Study Selection

Following the telephone survey, 4 SIPs were selected for more detailed consideration using a case study approach. The aim was that the case study SIPs should exemplify different approaches to tackling child poverty. The research team were looking for at least one thematic SIP, at least one rural SIP and at least one SIP operating outside the Scottish central belt. Area SIPs were only considered for selection if they had identified a range of initiatives tackling child poverty in their areas. The 4 case study SIPs finally selected were:

- Dundee Xplore;
- Greater Govan;
- Blantyre and Hamilton; and
- East Ayrshire.

Xplore is a thematic SIP focusing on young people at risk of exclusion in Dundee. The 3 remaining are area SIPs, although the focus of the Blantyre and Hamilton area SIP is young people up to age 25.

Case Studies

Interviews were conducted with the SIP manager in each of the 4 case studies, and with key partners and project staff identified in consultation with the SIP manager. The interviews were intended to gain a deeper understanding of the nature of child poverty in the SIP, of the efforts being made to tackle child poverty and of any perceived barriers to tackling child poverty.

A total of 23 individuals were interviewed on child poverty in the SIP areas. Of these, 4 were with SIP managers, 3 were with SIP staff, 11 were with SIP partners and the remaining 5 were with project managers or staff. In addition documentation on the SIP and its associated projects was collected and reviewed.

It should be noted that while interviews could not always be achieved with representatives of the selected projects, the selected initiative's aims and achievements were in each case explored with SIP staff and partners. Details of selected projects in each SIP are given below.

Dundee Xplore

Because of the different way of working, the Xplore SIP manager did not identify any child poverty initiatives during the telephone survey.

The research draws on interviews with the SIP manager, 3 SIP staff and 2 partners. The partners were representatives of the local authority departments of Neighbourhood Resources and Strategic Planning.

Greater Govan SIP

In the initial telephone survey of SIP managers 5 key initiatives were identified as tackling child poverty. These were:

- children's rights project (Govan Law Centre);*
- credit union (Greater Govan Credit Union);*
- ethnic minority outreach (Govan Housing Association);*
- healthy living centre (in development);
- key skills for parents (Cardonald College).

Additionally, it was pointed out that children in poverty benefit from a range of community facilities. The initiatives above which are asterisked were selected for further consideration by the research team. Difficulties with access meant that this case study draws on interviews with only the SIP manager, the ethnic minority outreach worker and 2 partners. The partners were representatives of Greater Glasgow Health Board and Glasgow City social work department.

Blantyre and North Hamilton SIP

During the telephone survey the SIP manager identified 6 key initiatives tackling child poverty in the SIP area. These were:

- best fed babies programme;*
- cashless school meals;
- community intermediary job access;
- family centre;*

- lone parent personal development project; and
- youth credit union (under development).*

The initiatives above which are asterisked were selected for further consideration by the research team. The research draws on interviews with the SIP manager, 5 partners and 2 project staff. The partners were representatives of the South Lanarkshire Council's strategic services, social work and education departments and also included a Health Board interviewee.

East Ayrshire Coalfields area SIP

During the telephone survey the SIP manager identified 8 key initiatives tackling child poverty in the SIP area. These were:

- credit union;*
- EASY project;
- recreation project partnership;*
- money advice project;
- support for people into work;
- teenage pregnancy project;*
- YIP world;* and
- young carers project.

The initiatives above which are asterisked were selected for further consideration by the research team. The research draws on interviews with the SIP manager, 2 Board partners and two project staff. The partners were representatives of East Ayrshire LHCC and East Ayrshire Council's Educational and Social Services department.

ISSN 0950 2254
ISBN 0 7559 3412 1
Price £5.00

ISBN 0-7559-3412-1



9 780755 934126