

Monitoring poverty and social exclusion in Scotland 2010



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Monitoring poverty and social exclusion in Scotland 2010

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Introduction

Summary

This report is the latest in the *Monitoring Poverty and Social Exclusion in Scotland* series which has been published every two years since 2002. It is shaped as a response to key developments since the last report was published in 2008. The first of these is the recession, most of which (in terms of the fall in economic activity) occurred in 2008/09. The second is the post-2007 policy framework for poverty in Scotland, in particular *Achieving our Potential* (www.scotland.gov.uk/Resource/Doc/246055/0069426.pdf).

Thanks to continued improvement through to 2007, Scotland went into the recession with lower unemployment and child poverty than England or Wales. Although hit just as hard, it maintained this advantage during the recession but, at least on unemployment, has now slipped behind again. The recession also exacerbated differences within Scotland, hitting most areas with high levels of worklessness hardest, and accelerating the shift towards more fractured and less dependable work.

Viewed through the lens of *Monitoring Poverty and Social Exclusion*, there are several gaps in the Scottish government's anti-poverty strategy. Focusing on getting workless adults into work, the strategy has little on the incomes of those not in work, or on what can be done about 'in-work' poverty. There is also little on the quantity and quality of essential services received by low-income households. The extent to which Scottish institutions – although not just the Scottish government – can affect outcomes is under-emphasised.

This report is divided into two parts. Part 1 sets out what has happened to poverty during the recession and, in view of their direct effects upon poverty, to employment and unemployment. While the focus is the recession, the evidence is considered within the context of a longer view where notable differences in the paths followed by Scotland and the rest of the UK are to be seen.

Part 2 presents the broad range of subjects under 'poverty and social exclusion' using the framework that underlies *Achieving our Potential* (www.scotland.gov.uk/Resource/Doc/246055/0069426.pdf). This is the key document in the policy framework in Scotland which sets out the Scottish government's approach to the problem of poverty and its associated causes and consequences. Other relevant policy documents include the *Government Economic Strategy* (www.scotland.gov.uk/Publications/2007/11/12115041/0) (2007) and its successor *Economic Recovery Plans* (www.scotland.gov.uk/Topics/Economy/economic-situation) as well as *Equally Well* (www.scotland.gov.uk/Publications/2008/06/25104032/0) (2008) and the *Early Years Framework* (www.scotland.gov.uk/Publications/2009/01/13095148/0) (2008). The 2010 UK *Child Poverty Act* (www.opsi.gov.uk/acts/acts2010/ukpga_20100009_en_1), which places a legal duty to tackle child poverty on both the UK government and on the devolved administrations, is also relevant. It is too soon to consider changes instigated by the UK coalition government.

Although there is no attempt here to assess how the new strategy is faring (something for which there is little evidence at the moment), it does allow gaps to be identified. The substance of this part of the report is the ten-year record, since the election of the first Scottish Executive in 1999 – and how that record compares with England (or in some cases, with England and Wales together, that is, the rest of Great Britain).

Key points

1. Unemployment (as a proportion of the working-age population), which had already begun to rise in England and Wales from 2005, carried on falling in Scotland until 2008. As a result, Scotland had lower unemployment going into the recession than England or Wales. But unlike England, unemployment in Scotland has carried on rising steadily after the recession. By the first half of 2010, unemployment in Scotland had surpassed that in England.
2. Measured by the numbers employed, the recession and its aftermath had a bigger impact on men than women and caused a shift in employment from full- to part-time work (particularly among men).
3. The child poverty rate in Scotland rose during the first year of the recession, whereas it fell across England. This is a reversal of the pattern of recent years during which Scotland did better. But the rate in Scotland is still lower. It is too soon to say whether this reversal is temporary or not.
4. The drop in child poverty in Scotland over the last decade has naturally been accompanied by a fall in poverty among working-age adults living with dependent children. But this fall has been more than cancelled out by a steady rise in poverty among working-age adults without dependent children, both in and out of work.
5. Despite the falls in child and pensioner poverty in the years prior to the recession, the share of total income going to the poorest 30 per cent of the Scottish population fell by a twelfth between 2004/05 and 2008/09. This is the opposite of what the Scottish government's 'solidarity purpose target' (taken at face value) requires.
6. At the end of 2009, 18.2 per cent of the working-age population was receiving an out-of-work benefit, up from 16.8 per cent two years earlier. Across Scotland, this increase has tended to be greatest in the local authority areas where the proportion was already high to begin with – although not the three (Glasgow City, Inverclyde, Dundee) with the very highest proportion. One way of putting this is to say that the recession and its aftermath have had a levelling effect, bringing the areas with unemployment levels just below the worst areas closer to the worst levels.
7. When seen through the lens of the subjects tracked in *Monitoring Poverty and Social Exclusion*, there are four major gaps in the Scottish government's anti-poverty programme. They concern: (i) the standard of provision of essential services to low-income and other disadvantaged households, by both private and public sectors; (ii) the extent to which education and training institutions are focused on outcomes for those from poor and disadvantaged backgrounds, and for those with low levels of attainment; (iii) the living standards of workless, working-age adults; and (iv) what working households need to allow them to escape from poverty.
8. In some of these cases, the gaps in policy relate to matters over which the Scottish government has little direct control. These include matters reserved to the UK government (especially over benefits and taxes) as well as decisions taken by employers and service providers, in both the public and private sectors. The challenge facing the Scottish government in this area is how to exercise influence when it does not have control.

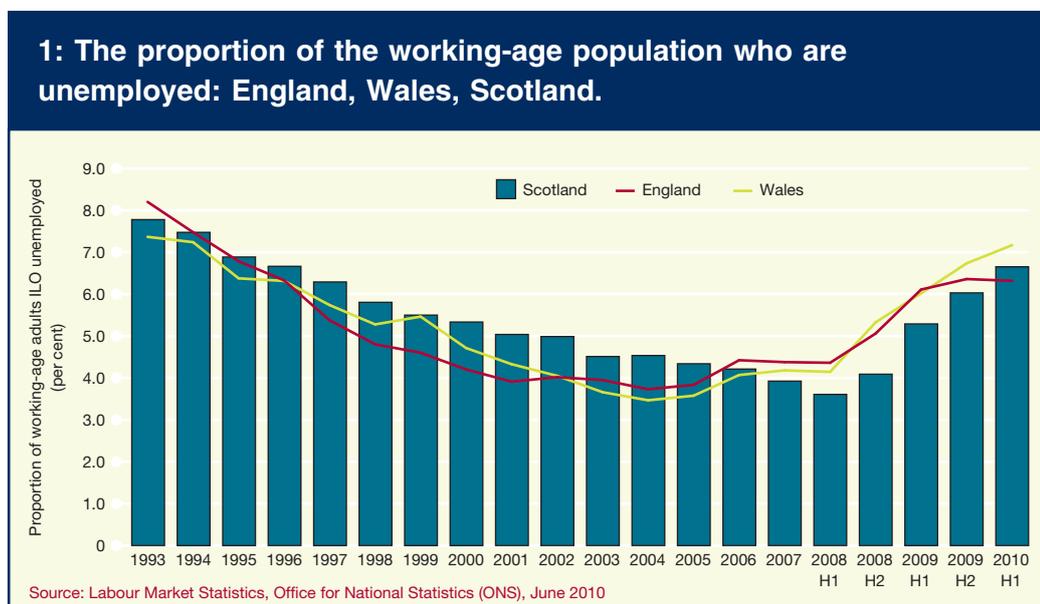
Part 1 Poverty, unemployment and the recession

The recession in Scotland began in summer 2008, three months later than across the UK as a whole. Like the rest of the UK, it ended in the autumn of 2009. Although the Scottish recession was shorter than the UK-wide one, it was just as deep, with the economy shrinking by about 6 per cent.¹ In practice, most of the fall in Scotland had taken place by the end of the first quarter of 2009. This means that the latest poverty statistics, for 2008/09, cover most of the recession.

Unemployment and worklessness

Unemployment

Graph 1 shows the proportion of the working-age population who were unemployed, on an annual basis until 2007 and on a six monthly basis thereafter.² This proportion is different from the headline unemployment 'rate', which measures unemployment in relation to the number employed rather than the working-age population as a whole.



'Unemployment' is the International Labour Organization (ILO) definition, used for the official UK unemployment numbers. It comprises all those with no paid work who are available to start work in the next fortnight and who either have been looking for work in the last month or who are waiting to start a job already obtained. It differs from the wider 'economically inactive who want paid work', which includes people not available to start work for some time and those who want, but are not actively seeking, work. Both these statistics, which come from the official Labour Force Survey, are different from the number of people receiving Job Seeker's Allowance.

Scotland entered the recession with lower unemployment than both England and Wales: 3.7 per cent in the first half of 2008 compared with 4.4 per cent and 4.2 per cent respectively. The reason why Scotland was in a better position at that point was that the long period of falling unemployment, starting in the early 1990s, had continued here for longer. Over the ten years from 1995 to 2005, unemployment remained higher in Scotland than in England or Wales. In 2006, however, the three countries had almost identical unemployment, while by 2007 the proportion in Scotland was almost 1 per cent lower. While unemployment has risen everywhere since the onset of the recession, it therefore did so in Scotland from a lower starting point.

During the recession, all three countries experienced a similar rise in unemployment. But unlike England, where the rise in unemployment tailed off in the second half of 2009, unemployment continued to climb steadily in Scotland (and Wales) after the recession ended. As a result, unemployment in Scotland in the first half of 2010 was, at 6.7 per cent, now higher than in England. The last time unemployment in Scotland was higher than this was early 1996.

Other measures of worklessness

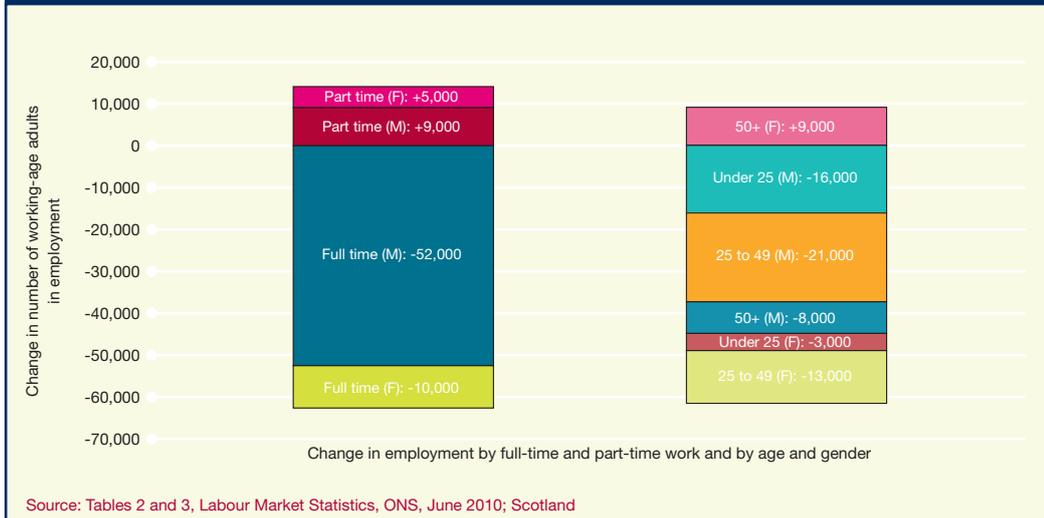
'Unemployment' is only one measure of individual worklessness, but whichever one is chosen, the overall pattern is the same, namely that although Scotland went into the recession in a slightly better position than England, that advantage has now been lost. So the proportion of the working-age population who are 'economically inactive' (that is, neither employed nor unemployed) in the first half of 2010 is, at 21 per cent, a fraction higher than in England. The last time economic inactivity was higher in Scotland was in 2003. Similarly, the proportion of the working-age population not in paid work is, at 28 per cent, also a fraction higher than in England, having been lower since 2000.

Change in employment by age and full-time and part-time work

Employment in Scotland over the twelve months to September 2009 was about 50,000 lower than in the twelve months to September 2008. Graph 2 shows how that change was broken down, between men and women, part-time and full-time work, and by age. More than 40,000 of that fall in employment was among men. In addition, there was also a shift from full-time employment, which went down by more than 60,000, towards part-time employment, which went up by more than 10,000. That increase in part-time employment was by no means confined mainly to women. While it remains the case that two-thirds of those with a part-time job report that they do want a full-time job, the number indicating that they could not find a full-time job rose over the year by 19,000.

There were also perceptible shifts in the mix of employment by age. Employment among those aged under 25 fell by nearly 20,000, or about five per cent of all of those in that age group employed. Most of this fall was among men. Employment also fell among those aged 25 to 49, by more than 30,000 or 2.5 per cent. It rose slightly, however, among those aged 50 and above, especially for women where there was a rise of nearly 10,000. This age group also includes those above the state retirement age.

2: Change in the numbers of people employed, twelve months to September 2009 compared with twelve months to September 2008: by full-time and part-time work and by age.



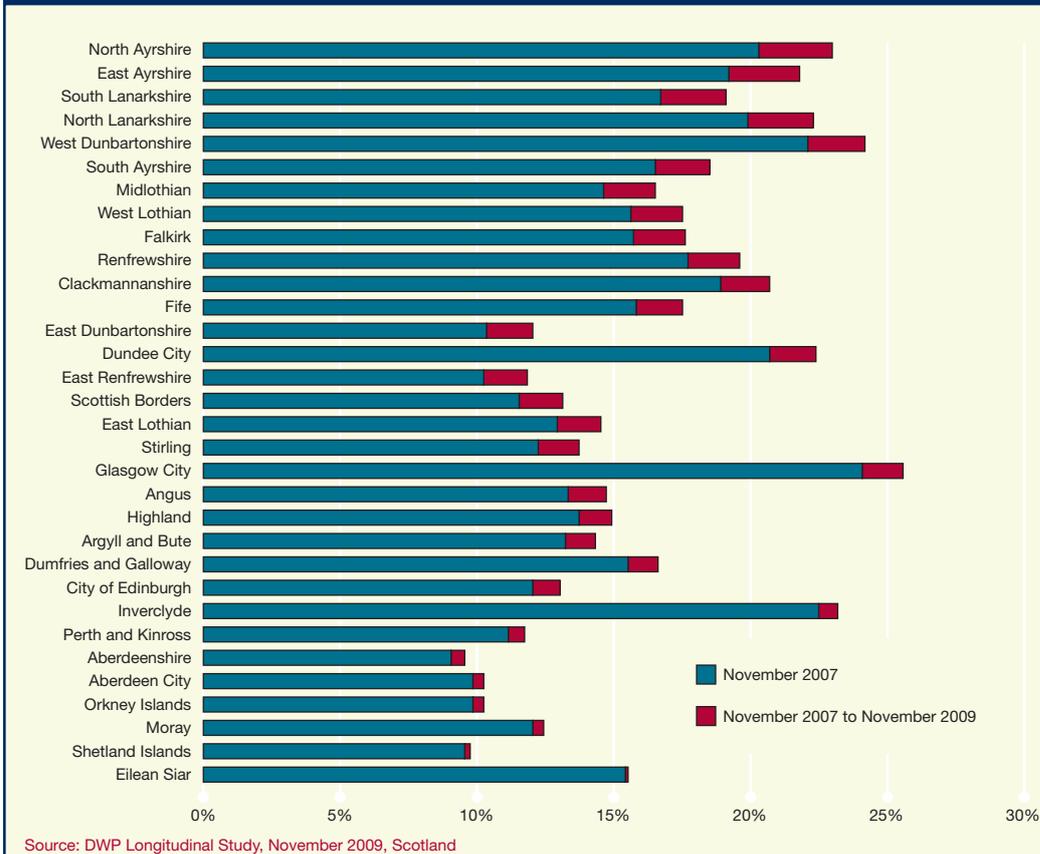
The changes shown compare the twelve months to September 2009 with the twelve months to September 2008. Totals components may not add to quite the same totals because of rounding.

The fall of 50,000 still only takes employment back to levels last seen just three years earlier. In addition, the shifts in the age composition of employment have been trends that have been visible throughout the five-year period during which such statistics have been routinely available, with no clear sign that the recession caused them to speed up.

Working-age in receipt of out-of-work benefits

In the two years from November 2007 to November 2009, the number of working-age adults in Scotland in receipt of out-of-work social security benefits rose from 539,000 (16.8 per cent of the working-age population) to 589,000 (18.2 per cent). The main benefits included are Jobseeker's Allowance, Incapacity Benefit (Employment and Support Allowance) and Income Support. As a proportion of the total working-age population, these recipients ranged (in November 2007) from just below 10 per cent (Aberdeenshire, Orkney, Shetland) to 24 per cent in Glasgow City. Graph 3 shows how this proportion altered across the 32 local authority areas.

3: The proportion of the working-age population by local authority area receiving out-of-work benefits ranked according to the size of increase: November 2007 and November 2009.



The data are shown for November 2007 and November 2009 with the local authorities ranked according to the size of the increase between those two years.

The out-of-work benefits covered here are Job Seeker's Allowance (JSA), Employment and Support Allowance (ESA) and incapacity benefits, lone parents on Income Support, carers on Income Support, Disability Living Allowance (DLA) and bereavement benefits. ESA and incapacity benefit claimants make up 51 per cent of all claimants, followed by JSA claimants at 22 per cent.

As a rule, those areas which had higher proportions to start with usually saw bigger increases, and vice versa. North and East Ayrshire saw increases of more than 2.5 percentage points while South Ayrshire, West Dunbartonshire and North and South Lanarkshire saw increases of more than two percentage points. Conversely, Orkney, Shetland and Aberdeenshire, as well as Aberdeen City, Moray and Eilean Siar only saw small increases. As a result, the geographical concentration of recipients in Scotland increased very slightly during the recession and its aftermath – the share in the ten areas with the highest proportion rising from 49.2 per cent to 49.5 per cent.

The fact that the increase in concentration was as small as this reflects important exceptions to the rule, notably Glasgow City and Dundee where the increase was no higher than the Scottish average. Yet these are the areas which had the highest proportions in 2007. One way of putting this is to say that the recession and its aftermath have had a levelling up effect, bringing the areas just outside the 'core' areas in Glasgow closer to the levels of those areas.

Dependency on social security benefits is not the sole measure of how working-age disadvantage varies across Scotland. Our previous report highlighted how the pattern of low pay across the country did not match the pattern of benefit dependency. This is still true. So the local authorities with the highest proportions of low-paid jobs (Moray, and Dumfries and Galloway) have below-average levels of benefit reciprocity. In fact, low-paid jobs are spread quite evenly throughout Scotland.

Low income

Changes in poverty rates during the recession

Year-on-year changes in the low income statistics must always be treated with great caution. However, the fact that the latest year (2008/09) corresponds closely to the period of the recession means that, for once, focusing on a single year can be justified. The reason for showing the change over four years is that the start of that period, 2004/05, is when child poverty in England was at its lowest point.

Table 1 shows that the pensioner poverty rate in Scotland appeared to fall very sharply during the recession, by five percentage points to 11 per cent. Although the rate fell sharply in England too (down by 2 per cent) there must be some doubt about this result, at least until it is confirmed or otherwise, by another year of data. Nevertheless, the longer-term picture on pensioner poverty is one of indisputably huge improvement over a decade or so. Even allowing for the possibility that the latest year figure of 110,000 is on the low side, the number of pensioners in poverty has come down by at least a half from its level of around 270,000 in the middle years of the 1990s. In this, Scotland's impressive record differs little from that of the UK as a whole.

Table 1: Changes in the proportion of people in low-income households over one year (2008/09) and four years (2004/05 to 2008/09): Scotland and England

		2004/05	2008/09	Change in last four years	Change in last year
Children	Scotland	25%	26%	+1%	+2%
	England	29%	31%	+2%	-1%
Working age	Scotland	18%	19%	+1%	No change
	England	19%	22%	+3%	+1%
All in working families	Scotland	10%	12%	+2%	+1%
	England	13%	16%	+3%	No change
Pensioners	Scotland	16%	11%	-5%	-5%
	England	18%	16%	-1%	-2%

Source: Households Below Average Income, DWP, 2008/09

A household is counted as having a 'low income' ('poverty' for short) if its income is less than 60 per cent of the median UK household income for the year in question. The value of this 60 per cent threshold in terms of pounds per week varies according to how many adults and children live in the household. For example, in 2008/09 (the latest year for which data is available) it was worth £119 for a single adult with no dependent children, £202 for a lone parent with two children under 14, £206 for a couple with no dependent children and £288 for a couple with two children under 14. These sums of money are measured after deduction of income tax, council tax and housing costs (including rents, mortgage interest, buildings insurance and water charges). They represent what the household has available to spend on everything else it needs, from food and heating to travel and entertainment.

Calculated in relation to average income, this measure is self-evidently relative. But that does not mean that it is only something called 'relative poverty' that is being measured. Rather, it reflects the view that poverty is something that is inherently relative, when someone is so short of resources that they are unable to attain the minimum norms for the society in which they live. This was as much the view of Adam Smith as it was of the late Peter Townsend, joint founder of the Child Poverty Action Group. If that makes the 'relative' in 'relative poverty' redundant, it means that the 'absolute' in 'absolute poverty' is nothing less than a contradiction in terms.

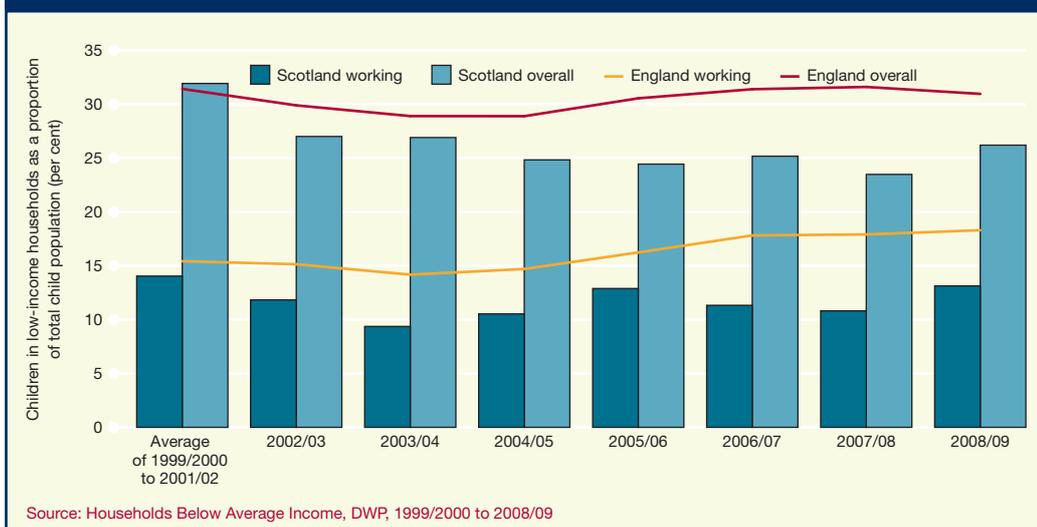
There was no change during the recession in the numbers of working-age adults in low-income households in Scotland. However, Scotland saw an increase of a percentage point in the total number (of adults and children) in low-income working families ('in-work poverty') over the year and a rise of about two percentage points over the four-year period. Though the in-work poverty rate in Scotland is still lower than England, the total rise of 3 per cent in Scotland over the last four years matches the increases in England over the same period.

During the recession, the proportion of children in low-income households – the 'child poverty rate' – went up in Scotland by 2 per cent whereas it went down in England by 1 per cent. In truth, in the deepest recession in decades, both statistics are remarkable for their mildness. The single most important explanation for this is the April 2008 increase of nearly £5 per child per week in Child Tax Credit and Child Benefit combined.

Even so, the fact that child poverty went up in Scotland but not in England reverses the pattern of the past few years during which Scotland had been doing better. The recent rise takes the Scottish child poverty rate back to 26 per cent, corresponding to around 260,000 children, 100,000 fewer than in the mid-1990s. On the basis of one year's figures, it is impossible to say if the reversal is just a blip. The continuing rise in Scottish unemployment after the recession suggests it may not be.

Despite this reversal in fortunes, Scotland has a lower child poverty rate than England. Graph 4 breaks the child poverty rate down between those in working and non-working households in order to provide some insight into why this might be so.

4: The proportion of children in low-income households, working and total: Scotland and England.



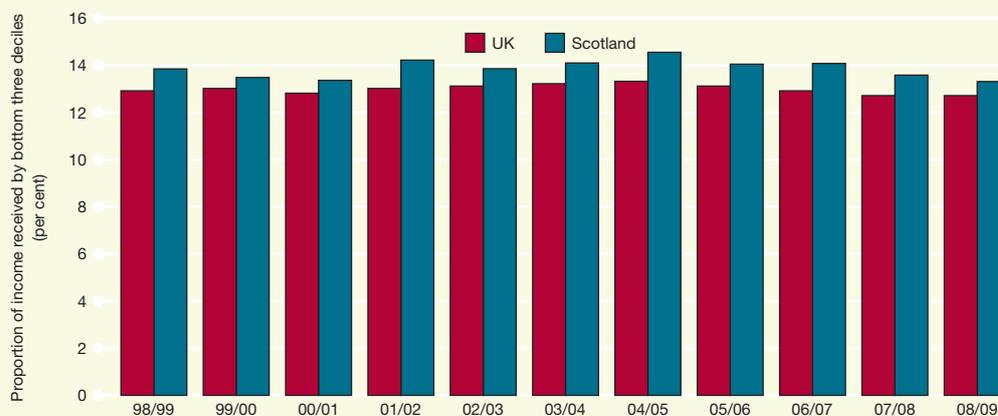
Over the five years from 2003/04 to 2007/08, although there were year-to-year variations, a gap in child poverty rates between Scotland and England opened up as a result of a clear upward rise in the proportion of children living in low-income *working* households in England. Over the same period, the in-work proportion remained broadly steady in Scotland. However, in 2008/09 the in-work proportion in Scotland increased by two percentage points, while remaining constant in England. It is too early to say whether this is a temporary finding or a more permanent shift in the trend. Yet, despite the increase, a child in a working household in Scotland is only three-quarters as likely to be in poverty as a child in a similar household in England.

The solidarity purpose target

The Scottish government's 'solidarity purpose target' aims to "increase overall income and the proportion of income earned by the three lowest income deciles as a group by 2017". This target was announced in 2008 by the incoming government to address income inequality and was made a key point in the *Achieving our Potential* framework.

Graph 5 shows how the proportion of income going to the bottom three deciles has changed in the last decade. As a comparison, the figure for the UK as a whole is shown as well. Clearly, the proportion of income received by the bottom three deciles is slightly higher in Scotland than in the UK as a whole – and has been for at least the last decade.

5: The proportion of income going to the bottom three tenths, Scotland and UK, 1998/99 to 2008/09.



Source: Households Below Average Income Survey Annual Publications, DWP

The solidarity rule forms an important part of the Scottish government's strategy to reduce inequalities within Scotland. The government aims to influence this objective through provision of equal opportunities, infrastructure development, effective local service provision and giving children a strong start in life.

While our evaluation of this statistic – that performance has worsened since 2004/05 – takes it at face value, the Scottish government evaluates it differently, namely that performance is:

- improving if the share of income received by the lowest three deciles increases by one percentage point or more and total income does not fall;
- worsening if the share of income received by the lowest three deciles falls by one percentage point or more, or if total income falls.

The Scottish government's interpretation of this statistic is that over the last decade, and the last year, there has been no change in the proportion of income going to the bottom three tenths (deciles). In both Scotland and the UK as a whole, however, this proportion was lower at the end of the decade than it was five years earlier, down (in Scotland) from 14.4 per cent in 2004/05 to 13.2 per cent in 2008/09. This cumulative fall is greater than one percentage point, which is the level at which the Scottish government recognises that the position is worsening. This, coupled with the fact that the share has fallen in three years out of four, leads us to conclude that the statistic is deteriorating.

In this case, the reason for the fall is that the amount of income, and so the proportion of total income, going to the top three deciles, and in particular the top decile, has increased sharply in the last five years. In contrast to this sensitivity to changes at the top of the income distribution, changes at the bottom have little effect. For example, if everybody in the bottom two deciles (roughly equivalent to those in poverty) were lifted just above the low-income threshold – thereby eliminating poverty, a hugely significant change – the proportion of income held by the bottom three deciles is estimated to rise by between 2.5 and 3 percentage points.³

Part 2 Achieving our Potential

Scope of the review

The purpose of the second part of this report is to identify possible weaknesses and the gaps in the Scottish government's current anti-poverty programme. The standpoint from which this review is undertaken is the framework of *Monitoring Poverty and Social Exclusion in Scotland* as it has been developed over the last ten years. It must be stressed that this is not an attempt to assess the *performance* of this programme. If nothing else, it is still too soon to attempt such a thing for a government that only took office in 2007.

For the purposes of this review, the Scottish government's anti-poverty programme is taken as being represented by four policy documents, dating largely from 2008. They are: *Achieving our Potential*, *Equally Well*, *Early Years* and the *Economic Recovery Plan* (updated in 2010). Of the four, the first is much the most important here. These documents are not a comprehensive statement of anti-poverty policy in Scotland – there are other relevant Scottish government policies (where possible, they are mentioned). In addition, there are also *local* government policies, as per the Scottish government's concordat with the Convention of Scottish Local Authorities (COSLA), promoting local partnership in tackling poverty and inequality.

The first reason for restricting attention to these four documents is simply to try to ensure that the review is practicable. The main reason, however, is the view that if a subject is not covered in these documents, above all *Achieving our Potential*, then it is very unlikely to be treated as an anti-poverty priority. The Scottish government's role is not restricted to making policy about matters over which it has direct control. It can also undertake what could be called advocacy in matters where authority rests elsewhere. In some cases, responsibility rests with local government while in others, authority remains with the UK institutions. In both cases, however, the Scottish government can still argue for what it believes to be important.

Monitoring poverty and social exclusion

The *Monitoring Poverty and Social Exclusion* framework takes a broad view of poverty. Centred on low income (which itself is measured in several different ways), it extends to two others groups of factors. They are:

- those that can be seen as contributing to low income, either now (for example, unemployment) or in the future (for example, the heightened likelihood of future poverty for someone leaving school with few or low qualifications); and
- those that are more likely to be associated with low income, even if there is no inevitable link (for example, a lack of access to basic financial services, which, in practice, is more likely for those on low incomes than others).

In order to relate this as closely as possible to the Scottish government's programme, the 41 indicators in the *Achieving our Potential* tables 1–8 (drawn from the *Monitoring Poverty and Social Exclusion* framework) are divided into groups according to how they fit best within *Achieving our Potential*. Indicators are placed under one of the four pathways in *Achieving our Potential* (the first two of which are then further sub-divided) providing a total of eight headings as follows:

1. Tackling income inequality:
 - Maximising income for all
 - Maximising the potential for people to work
 - Making work pay.
2. Longer-term measures to tackle poverty and the drivers of low income:
 - Broader effort to deal with health inequalities
 - Delivering good-quality affordable housing for all
 - Providing children and young people with the best start in life.
3. Supporting those experiencing poverty or at risk of falling into poverty.
4. Making the benefits and tax credits system work better for Scotland.

Where possible, the tables give three measures for each indicator. The first is the most recent level and/or percentage for the statistic in question, alongside a comparable figure for a comparator country, usually England. The second and third record (qualitatively) how both the Scottish and English (unless specified otherwise) indicators have changed over the last ten years or so.

The tables then go on to show whether and how each indicator is addressed within the Scottish government programme, under the headings of 'mentioned in framework' and 'level of action'. 'Mentioned in programme' shows whether the issue represented by the indicator is identified in any of the four documents. Three classifications are used here, namely, whether the subject is mentioned explicitly, implicitly, or not at all.

'Level of action' provides more information on how the issue is actually being treated in the documents. This column is populated if specific actions can be identified to tackle the issues or if other actions are likely to have effects that ameliorate the situation. The policies mentioned as examples are only indicative and not exhaustive.

How the evidence is used

The evidence presented in these tables is used here to identify potential weaknesses and gaps in two ways. The first is based directly on the statistics. Which of them have either shown no progress over the last decade or have even gone backwards and which of them compare unfavourably with England? Obviously, other questions could be asked, and 'poor' outcomes either over time or relative to England could still be entirely consistent with very effective policies.

The second is based on the anti-poverty programme. Which subjects (as represented by the indicators here) are not likely to be impacted at all by the Scottish government's anti-poverty programme? And which ones, even if there is likely to be an effect, are not addressed explicitly?

These designations used here, especially 'implicit', are inevitably a matter of judgement. There are three types of situation where this arises. One is where the issue is not mentioned explicitly but is alluded to indirectly (for example, 'unsecured personal debt' as an instance of 'financial difficulty'). Another is where an issue, though not mentioned explicitly, is linked to others that are (for example, in-work poverty as an aspect of child poverty). A third is where an issue is part of a wider problem (for example, low pay for part-timers as an aspect of overall low pay). It is noted that Scotland's outcomes in some key areas (like the risk of low income for different population groups) are better than England's, but better outcomes do not, of course, preclude the possibility of gaps in policy.

The statistical record

Lack of progress over ten years

Clearly, the recession and its aftermath have already had a very big effect, particularly in the areas of employment and unemployment, turning what had previously been stories of slow but steady progress into ones marked by a clear regression. The main ones that are now worse than a decade ago are:

- the proportion of the working-age population that are unemployed which, as a result of the recession and its aftermath, is now back at a level last seen in 1996 (indicator 10);
- the unemployment rate in 2009 (that is, the number of unemployed adults divided by the number of 'economically active' adults) among adults aged under 25 which, at almost two-and-a-half times the rate for older working-age adults, had already exceeded the level in 1999 (indicator 9);
- the poverty rate for workless, working-age adults without dependent children (up from 45 per cent in 1996/97 to 58 per cent in 2008/09) (indicator 4c);
- the proportion of people in the retail and wholesale sector who are low paid (58 per cent in 2009 up from 55 per cent in 1999) (indicator 17).

Several indicators show no real change from a decade ago. These include:

- the proportion of babies with a low birthweight (indicator 20);
- overcrowding, as measured by the percentage of households below bedroom standard (indicator 24) and the proportion dissatisfied with their council services (indicator 34). The latter, where the specific emphasis is as much on differences in satisfaction levels according to household income and/or social class, is likely to be particularly important over the coming years;
- a lack of access to job-related training among those who lack qualifications (which is part of the wider issue of access to training being higher for those who already have more qualifications to start with) (indicator 12).

There is also an even larger group where a lack of consistent data, either over the last ten years or at the relevant level, means that it is not possible to measure any changes that may have taken place. Again, what really matters here is being able to track these from now on.

They include indicators to do with:

- debt, a very important and long-neglected aspect of poverty, notably households with unsecured debt and households in arrears with bills (indicators 5 and 6);
- benefits and tax credits, including: children in working families who are getting tax credit but are still in low income; children in working families who are not getting tax credits despite being in low income (indicators 39a and 39b); non-take-up of Pension Credit and non-take-up of Council Tax Benefit by pensioners in Scotland (indicators 40a and 40b);
- exclusion and isolation (which almost always have a pronounced age, income and gender dimension to them), for example, the proportion of people feeling unsafe while walking in their neighbourhood after dark (indicator 38).

Poorer outcomes than England

There are several indicators across a wide range where the outcome in Scotland is inferior to that in England. It should be stressed that the basis for some of these comparisons is uncertain since the data (and sometimes even the concepts) from which they are constructed is different. While such differences rule out a definitive conclusion, they are certainly quite sufficient to pose the question as to why Scotland might be doing worse.

These indicators include:

- the proportion of working-age people dependent on out-of-work social security benefits (indicator 14a);
- the rates of premature death among both men and women, not just in the most deprived areas of Scotland but on average as well (indicators 22a and 22b);
- the difference in infant mortality rates between social classes 1–4 and 5–8 (as compared, in this case, to the rest of Great Britain) (indicator 21b);
- the proportion of households in fuel poverty (although this is an indicator where Scotland and England use different definitions) (indicator 26);
- the proportion of 16-to19-year-olds not in education, employment or training (indicator 31);
- the proportion of households without a current bank account (as compared to the rest of GB) (indicator 32);
- the level of dissatisfaction with council services (as compared to the rest of GB) (indicator 34).

Although beyond our scope here, there is no reason at all to restrict such comparisons to England. Particularly in matters to do with poverty, the UK's poor record when judged from a European perspective means that merely doing better than England is in itself not necessarily satisfactory. The Scottish government's preference for comparing the country to its Nordic (and Celtic) neighbours has the great merit of raising the perception of what is possible. The gap between reality and aspiration, especially in both poverty and (as we showed in our 2008 report) health, is large.

Gaps and weaknesses in the programme

It is clearly up to the elected governments, both national and local, to determine their priorities. The absence of a subject from the programme – or, as is much more the case here, the absence of an explicit reference to that subject – does not mean that the programme should change to include it. Nevertheless, policies and priorities continue to change, and an awareness of where the gaps lie is an important stimulus to debate.

The gaps and weaknesses we have identified in the Scottish government programme relate to four broad groups of issues. They are:

- the standard of provision of essential services to low-income and other disadvantaged households, by both the private and public sectors;
- the attention paid by education and training institutions to outcomes both for those from poor and disadvantaged backgrounds, and for those with low levels of attainment;
- the living standards and prospects of workless, working-age adults;
- what is needed to allow working households to escape poverty without having to devote an unacceptably large number of hours to work.

The quantity and quality of essential services for low-income households

The clearest gap within the Scottish government's programme is to do with provision by the private sector of what can be viewed as essential services. These include:

- low-income households without a current bank account (indicator 32);
- low- (and lower-) income households without home internet access (indicator 33);
- low-income working-age households without any private pension provision (indicator 41).

The inconvenience and difficulty of accessing other key services – food shops, post office, doctor, etc. (indicators 35, 36, 37) – is another aspect of this. These issues are more pronounced outside of major urban areas, and people in such areas who are most affected are usually those without ready access to a car. The connection with poverty here is that lone parents and single, usually female, pensioners are the two groups who are the least likely to have access to a car – and among those most likely to have a low income.

There are also issues to do with the quantity and quality of services provided by the public sector, as measured by indicators to do with:

- dissatisfaction with council services (indicator 34);
- overcrowding (as measured by households below bedroom standard) and houses failing to meet the Scottish Housing Quality Standard (both public and private sector) (indicators 24 and 25).

It can be argued that the Scottish government is not directly responsible for any of the subjects mentioned here. But if these subjects are seen as sufficiently important, that is not a reason for not having a policy. In such circumstances, ways need to be found to influence the decisions that local and other public authorities, as well as private providers like banks, insurance companies, utilities and so on, make that can impact differentially on low-income households.

On occasion – for example, when it persuaded the banks to introduce basic bank accounts – the UK government did manage to do this. In general, however, this seems to have been more the exception than the rule. At UK level, a lack of involvement by other agencies could be disguised by the progress in the core child and pensioner poverty measures bought through increases in the value of social security benefits and tax credits. As that is not an option for the devolved administrations, working through others to achieve their anti-poverty goals is even more important.

A focus on educational outcomes for those at the bottom

A second gap that can be identified concerns educational outcomes for those at the bottom. This covers two different but overlapping groups of people. The first are children from low-income and other deprived backgrounds. The second are those with the fewest and/or poorest education and training outcomes. Although this second group includes children (where they will be a big overlap with the first group) it also includes adults. The relevant indicators here are:

- educational attainment at age 11 (indicator 27);
- pupils age 16 not getting five awards at SCQF level 3 at S4 (indicator 29);
- grades of the lowest attaining pupils (indicator 30);
- a lack of access to job-related training among those with few/no qualifications (indicator 12).

The immediate point about the first of these, educational attainment at age 11, is the lack of Scottish data. Comparable English data shows a considerable gap – although also a considerable absolute improvement over the last decade in the outcomes for 11-year-olds entitled to free school meals compared with those on average income. The deeper concern is whether the lack of Scottish data means that the matter is not really a focus for the Scottish school system in general.

By contrast, data does exist on the proportion of pupils at age 16 with the lowest levels of attainment, as does data on access to work-related training among those with the least qualifications. The seeming lack of policy here can be seen as a particular instance of the question of whether low-income and other disadvantaged groups are receiving the essential services – in this case, educational and training services – that they require.

Improving the prospects for workless adults

The third gap concerns the prospects for workless adults. Three key indicators here are:

- the wider group of working-age people lacking but wanting work (that is, not just those counted as unemployed) (indicator 11);
- young adult unemployment (indicator 9);
- working-age people dependent on out-of-work benefits (indicator 14a).

Here the question has been asked – how can this be labelled a ‘gap’, given the emphasis placed by Scottish (and UK) government policies on promoting employability and helping people, especially those furthest from the labour market, to find and retain work? The answer lies in the extent to which such policies constitute a *sufficient* response to the problem of worklessness. Basically, there are simply far too many people who lack but want a job – some

400,000 on the latest quarterly figures⁴ – for there to be any prospect of reducing this to a negligible number in the foreseeable future. In addition, in just two years the recession has wiped out ten years of progress in cutting unemployment. This does not diminish the importance of patiently pursued, well-designed employability programmes. But it does mean that it is not enough to point to them as the only – or even the main – answer to poverty among workless adults.

In this situation, an anti-poverty programme must include policies that explicitly address the poverty of workless adults even while they remain workless. A big part of that would be a policy on out-of-work social security benefits upon which one in ten of the Scottish population rely. Even during the good times, the poverty rate among this group (if they have no dependent children) was rising, chiefly because their benefits, unlike those for pensioners and children, have only gone up in value in line with inflation. The fact that the social security benefits are a reserved matter does not prevent the Scottish government from having a policy on them.

Allowing people to escape in-work poverty

The last gap relates to policies that would improve people's chances of escaping in-work poverty. The relevant indicators here include:

- 'in-work poverty', among both those with and without dependent children (indicators 4a and 4b);
- low hourly pay, especially for those doing part-time work and (for both full- and part-time) in specific sectors such as retail and wholesale (Achieving our Potential Table 3);
- 'involuntary' part-time work (that is, by those doing it because they cannot find a full-time job) (indicator 19).

In-work poverty is, of course, the problem on the other side of employability, that is, when people have entered work but still have an insufficient income to take their household above the poverty line. Yet again, with benefits and tax credits, as well as the income tax and national insurance paid by low-income working households, being reserved matters, the Scottish government has little direct control (although the commitment to replace Council Tax in Scotland with a local income tax was arguably an attempt at such).

But to assume that this means there is little that can be done in Scotland is to overlook the role of the public sector in Scotland as employer, in particular the NHS (which employs around a quarter of the public sector workforce), teaching, the police service and universities (which between them employ a fifth) and the rest of local government (including support staff in schools and the police), which employs around a third.

Although in one sense it is obvious why people are in in-work poverty – they just do not have enough money coming in – the effective remedies are less than clear. Low hourly pay is one factor but so too, obviously, are hours worked. The barriers that prevent people from working longer, not least the need to juggle domestic caring responsibilities alongside the requirements of work, are likely to be important. A range of policies, concerning both the rates of pay for particular jobs (especially part-time jobs), the opportunities to progress to better jobs (e.g. through training) and the flexibility required to allow those with domestic caring responsibilities to maximise their hours of work, will all be relevant. Even where it is not directly responsible, the Scottish government has a role to play as advocate, drawing attention to these issues and highlighting their importance.

Conclusion: policies without control

What is clear is that the areas where we judge there to be obvious gaps in the Scottish government's anti-poverty programme are more to do with matters over which it does not have direct control. In this, the Scottish government is no different from the other two devolved administrations (and even the UK government, which has tax and benefit powers, but does not always have control over all matters related to poverty). What it reflects, of course, is that the roots of poverty lie in a host of decisions taken within civil society around, first, the workplace and, second, the provision of essential services, a term which can be understood to include health and education.

One clear conclusion of the argument here is that the Scottish government needs to have explicit policy positions on those crucial reserved matters that address the particular needs of the lowest-income 30 per cent of the population, especially benefits and taxes. At the same time, it also needs policies over matters of considerable importance which are decided upon by employers and service providers in Scotland. The political challenge is how such policies, whether directed 'upward' or 'downward', can be pursued.

Achieving our Potential tables 1-8

Table 1: Tackling income inequality – maximising income for all

Indicator no.	Indicator	Current Scotland number	Current Scotland rate	Current England rate	Change in Scottish rate over ten years	Change over time in England	Mentioned in major policy framework	Level of action (with specific examples where possible)	Data source
1	Children in low-income households	260,000	26%	31%	Large improvement	Small improvement	Explicit	Commitment to action – forthcoming consultation for a draft child poverty strategy in October 2010	HBAI 2008/09, 1996/97 to 1998/99
2	Working-age adults in low-income households	600,000	19%	22%	Similar	Small deterioration	Implicit	Spillovers possible from employability and income maximisation pathways	HBAI 2008/09, 1996/97 to 1998/99
3	Pensioners in low-income households	110,000	11%	16%	Large improvement	Large improvement	Explicit	Commitment to action – focus on benefits uptake for older people, building on existing pilots with Age Concern Scotland	HBAI 2008/09, 1996/97 to 1998/99
4a	In-work working-age adults with dependent children in low-income households	130,000	14%	20%	Small improvement	Small deterioration	Implicit	Spillovers possible from Working for Families project, promoting childcare vouchers, low pay policies and actions to improve benefit take-up	HBAI 2008/09, 1996/97 to 1998/99
4b	In-work working-age adults without dependent children in low-income households	140,000	9%	11%	Small deterioration	Small deterioration	Implicit	Spillovers possible from employability, low pay policies and actions to improve benefit take-up	HBAI 2008/09, 1996/97 to 1998/99
4c	Workless adults without dependent children in low-income households	220,000	58%	54%	Large deterioration	Small deterioration	Implicit	Commitment to action via employability programmes	HBAI 2008/09, 1996/97 to 1998/99
5	Households with unsecured debt	–	45%	51%	Data not available	Data not available	Implicit	Commitment to action – increase availability and usage of money advice services	Wealth and Assets Survey 2006/08
6	Households in arrears with bills	–	6%	6%	Data not available	Data not available	Implicit	Commitment to action – help with rising fuel prices	Wealth and Assets Survey 2006/08

Table 2: Tackling income inequality – maximise the potential for people to work

Indicator no.	Indicator	Current Scotland number	Current Scotland rate	Current England rate	Change in Scottish rate over ten years	Change over time in England	Mentioned in major policy framework	Level of action (with specific examples where possible)	Data source
7	Lacking but wanting paid work – lone parents	–	21%	23%	Large improvement	Large improvement	Implicit	Commitment to action – develop learning sets from Working for Families	LFS 2009, 1999
8	Lacking but wanting paid work – disabled	–	24%	24%	Large improvement	No change	Explicit	Commitment to action – Supported Employment Framework launched	LFS 2009, 1999
9	Young adult ILO unemployment rate	70,000	17%	19%	Small deterioration	Large deterioration	Explicit	Commitment to action – ScotAction, Workforce Plus	LFS 2009, 1999
10	Proportion of working-age adults unemployed	200,000	6.7%	6.4%	Similar	Small deterioration	Explicit	Commitment to action – ScotAction, Workforce Plus	Labour Market Statistics, ONS, June 2010
11	Lacking but wanting work (all working-age)	400,000	11%	12%	Small deterioration	Large deterioration	Explicit	Commitment to action – ScotAction, Workforce Plus, Supported Employment Framework, Working for Families	LFS 2009, 1999
12	No access to job-related training: without any qualification (*and compared to those with some qualifications)	170,000 (*1,490,000)	90% (70%)	92% (72%) (*England and Wales figure)	No change	Small deterioration	Explicit	Commitment to action – ScotAction, Skills Strategy	LFS 2009, 1999
13	25- to 60-year-olds lacking level 2	680,000	28%	29%	Large improvement	Large improvement	Explicit	Commitment to action – Individual Learning Accounts scheme for in-work learning, targeted at three lowest income deciles	LFS 2009, 1999
14a	Working-age non-work benefit recipiency – overall	580,000	18%	15%	Small improvement	Similar	Implicit	Commitment to action – Workforce Plus	DWP Longitudinal Study August 2009 and August 1999
14b	Working-age non-work benefit recipiency – worst four local authorities (Glasgow City, Inverclyde, W. Dumbartonshire, N. Ayrshire)	147,000	24.5%	–	Improvement		Implicit	Commitment to action – Workforce Plus	DWP Longitudinal Study August 2009 and August 1999

Table 3: Tackling income inequality – making work pay

Indicator no.	Indicator	Current Scotland number	Current Scotland rate	Current England rate	Change in Scottish rate over ten years	Change over time in England	Mentioned in major policy framework	Level of action (with specific examples where possible)	Data source
15	Low (less than £7 per hour in 2009 prices) hourly pay	380,000	18%	18%	Small improvement	Small improvement	Explicit	Commitment to action – a campaign in 2009/10 to raise awareness of statutory workers' rights in Scotland	ASHE 2009 and 1999
16	Public sector low (less than £7 per hour) hourly pay risk	100,000	15%	19%	Small improvement	Similar	Explicit	Commitment to action – Scottish government to publish an analysis of the scope for action on income inequality through pay across public sector	LFS 2009 and 1999
17	Retail and wholesale: low (less than £7 per hour) hourly pay risk	–	58%	47%	Large deterioration	Small deterioration	No	Not in <i>Achieving our Potential</i> , though evidence of joint public sector – private sector working does exist (www.scotland.gov.uk/Topics/People/tackling-poverty/Initiatives/CurrentActivity)	LFS 2009 and 1999
18	Low (less than £7 per hour) hourly pay for part-time workers	210,000	36%	39%	Large improvement	Small improvement	Implicit	Spillovers possible from 15 and 16	ASHE 2009 and 1999
19	People doing part-time work because could not find full-time work	80,000	13%	12%	Similar	Small deterioration	No	–	APS 2008/09, LFS 1998/99

Table 4: Longer-term measures to tackle poverty and the drivers of low income – broader effort to deal with health inequalities

Indicator no.	Indicator	Current Scotland number	Current Scotland rate	Current England rate	Change in Scottish rate over ten years	Change over time in England	Mentioned in major policy framework	Level of action (with specific examples where possible)	Data source
20	Low birthweight babies as a % of live births	–	6.9%	7.2%	Similar	Similar	Explicit	Commitment to action – Maternal & Infant Nutrition Strategy is being developed	Child mortality statistics, ONS, E&W and ISD Scotland, time series data
21a	Infant mortality rate (deaths per 1,000 live births)	–	4.2	4.6	Small improvement	Small improvement	Implicit	Commitment to action – Maternal & Infant Nutrition Strategy is being developed	As above
21b	Infant mortality by occupational class C5–8 (*and compared to class C1–4)	–	6 per 1,000 (*3 per 1,000)	5 per 1,000 (*4 per 1,000) (England and Wales figure)	Large improvement	Small improvement	Implicit	Commitment to action – Vulnerable Families Pathways, Antenatal Inequalities Working Group	From www.poverty.org.uk
22a	Premature death (men)	–	300 per 100,000	225 per 100,000	Large improvement	Large improvement	Implicit	Commitment to action to reduce death due to four biggest killers in Equally Well	As above
22b	Premature death (women)	–	175 per 100,000	140 per 100,000	Small improvement	Small improvement	Implicit	Commitment to action to reduce death due to four biggest killers in Equally Well	As above

Table 5: Longer-term measures to tackle poverty and the drivers of low income – Delivering good-quality affordable housing for all

Indicator no.	Indicator	Current Scotland number	Current Scotland rate	Current England rate	Change in Scottish rate over ten years	Change over time in England	Mentioned in major policy framework	Level of action (with specific examples where possible)	Data source
23	Homelessness (households assessed as homeless)	40,500	1.70%	–	Large increase	–	Explicit	Commitment to action – all unintentionally homeless households will be entitled to settled accommodation by 2012	Scottish government Housing Statistics for Scotland 2008
24	Overcrowding (% of households below bedroom standard)	–	2.8%	2.2%	Similar	Similar	Implicit	Not in <i>Achieving our Potential</i> , though housing quality policies do exist (www.scotland.gov.uk/Topics/Built-Environment/Housing/quality)	GHS 2007/2005 and 2000/02; SHS 2004/06 and 1999/2001
25	Households failing to meet the Scottish Housing Quality Standard	1,503,000	64%	–	Improvement	–	Implicit	Not in <i>Achieving our Potential</i> , though housing quality policies do exist (www.scotland.gov.uk/Topics/Built-Environment/Housing/quality)	Scottish House Condition Survey 2008
26	Households in fuel poverty	618,000	27%	13.2% (not directly comparable)	Improvement (though it rose continuously from 2002)	Large improvement (though it rose continuously from 2006)	Explicit	Commitment to action – Energy Assistance Package	Scottish House Condition Survey 2008, EHCS 2008

Table 6: Longer-term measures to tackle poverty and the drivers of low income – providing children and young people with the best start in life

Indicator no.	Indicator	Current Scotland number	Current Scotland rate	Current England rate	Change in Scottish rate over ten years	Change over time in England	Mentioned in major policy framework	Level of action (with specific examples where possible)	Data source
27	Non-attainment at age 11 (not achieving Level 4 at KS2)	Data not available	Data not available	8%	Data not available	Large improvement	No	Commitment to action – Curriculum for Excellence	Department for Children, Schools and Families performance tables 2008/09
28	19-year-olds lacking Level 2	12,000	20%	24%	Small improvement	Small improvement	Explicit	Commitment to action – 16+ Learning Choices, EMAs	LFS 2009 and 1999
29	Pupils not getting five awards at SCQF Level 3 at S4	5,000	8.5%	–	No change	–	Implicit	Commitment to action – Curriculum for Excellence	SQA attainment tables 2008/09
30	Average tariff score in S4 standards grade – lowest attaining 20% (*as compared to average)	–	60 (*180)	–	Similar	–	Implicit	Spillovers possible from Curriculum for Excellence	From www.poverty.org.uk
31	Proportion of 16- to 19-year-olds who are not in education, employment or training (NEETs)	40,000	14%	12%	Similar	Small deterioration	No	Not in <i>Achieving our Potential</i> , though a Scottish government NEETs strategy (More Choices, More Chances) does exist	LFS 2009 and 1999

Table 7: Supporting those experiencing poverty or at risk of falling into poverty

Indicator no.	Indicator	Current Scotland number	Current Scotland rate	Current England rate	Change in Scottish rate over ten years	Change over time in England	Mentioned in major policy framework	Level of action (with specific examples where possible)	Data source
32	Households without a current account	–	13%	9%	Large improvement	Small improvement	Implicit	Spillovers possible from Financial Inclusion Pathway, but <i>Achieving our Potential</i> does not specifically mention current accounts	FRS publication, various years
33	Households without internet at home – bottom quintile (*and compared with average)	–	70% (*40%)	70% (*40%)	Data not available	Data not available	No	Spillovers possible from Community Planning Partnership and other regeneration programs	EFS 2006/08
34	Dissatisfaction with council services – class 5–8 (*and compared to class 1–4)	–	36% (*29%)	23% (*20%) (note – different source)	Similar	Data not available	Implicit	Spillovers possible from Community Planning Partnership and other regeneration programmes	SHS 2007/08; Citizenship Survey 2008/09
35	Very inconvenient to reach: doctor	–	14%	7% (note – different source)	Similar	Data not available	Implicit	Spillovers possible from Community Planning Partnership and other regeneration programmes	SHS 2007/08; GHS 2007
36	Very inconvenient to reach: post office	–	12%	7% (note – different source)	Deterioration	Data not available	Implicit	Spillovers possible from Community Planning Partnership and other regeneration programmes	SHS 2007/08; GHS 2007
37	Very inconvenient to reach: grocery store	–	4%	4% (note – different source)	Small improvement	Data not available	Implicit	Spillovers possible from Community Planning Partnership and other regeneration programmes	SHS 2007/08; GHS 2007
38	Feeling unsafe when walking in neighbourhood after dark – Class 5-8 (*and compared to class 1-4)	–	21% (*17%)	26% (19%) – not directly comparable	Data not available	Data not available	Implicit	Spillovers possible from Community Planning Partnership and other regeneration programmes	SHS 2007/08; GHS 2007

Table 8: Making the benefits and tax credits system work better for Scotland

Indicator no.	Indicator	Current Scotland number	Current Scotland rate	Current England rate	Change in Scottish rate over ten years	Change over time in England	Mentioned in major policy framework	Level of action (with specific examples where possible)	Data source
39a	Children in working families getting tax credit, still in low income	–	8%	13%	Data not available	Data not available	Explicit	Commitment to action – pressure on UK government	HBAI 2005/06 to 2007/08
39b	Children in working families who need but don't get tax credits	–	6%	8%	Data not available	Data not available	Explicit	Commitment to action – pressure on UK government	HBAI 2005/06 to 2007/08
40a	Non-take-up of guarantee element of Pension Credit – caseloads	–	Data not available	33% (UK)	Data not available	Worse (UK)	Explicit	Commitment to action	FRS publication 2008/09
40b	Non-take-up Council Tax Benefit among pensioner households – caseloads	–	Data not available	50% (UK)	Data not available	Worse (UK)	Explicit	Commitment to action	FRS publication 2008/09
41	Working-age adults in bottom quintile without a current pension	–	68%	68% (UK)	Data not available	Data not available	No	<i>Achieving our Potential</i> focuses on incomes of current pensioners and not future pensioners	FRS 2007/08 to 2005/06, from www.poverty.org.uk

Achieving our Potential – Glossary

Indicator	Definition
Low-income households	Households with an income of less than 60 per cent of median household income for that year after deducting housing costs.
Unsecured debt	This includes credit or store cards balances which are not paid off within the required period, authorised and unauthorised overdrafts and all forms of fixed-term loans (including personal loan, student loan, hire purchase agreements and mail order accounts). It excludes mortgage repayments.
Bills in arrears	Bills cover all utilities, Council Tax and rent, but not mortgage repayments.
Unemployment rate	The unemployment rate is the number of people who are unemployed divided by the number who are either in paid work or unemployed, excluding those who are 'economically inactive'.
Low hourly pay	Proportion of workers being paid less than £7 a hour in 2009, and less than £4.77 in 1999.
Infant mortality	Number of infant deaths (at ages under one year) per 1,000 live births.
Occupational class 1–4, 5–8	The eight-fold National Statistics Socio-economic Classification (NSSEC) divides the entire adult population into eight classes – from higher managerial and professional occupation to unemployed.
Premature death	Number of deaths of those aged under 65 per 100,000 people aged under 65.
Fuel poverty	Households are considered to be in fuel poverty if they would have to spend more than 10 per cent of their household income on fuel to keep their home in a 'satisfactory' condition – this is different for England and Scotland and hence not comparable.
Tariff score	Tariff scores are calculated by converting the levels that pupils achieve in their standard grade and other national qualification exams into points. Points can range from as high as 120 for an A at advanced higher, though this is very rare at age 16, to 38 for a standard grade 1, 11 for a standard grade 5 (the first 'low grade') and 3 for a standard grade 7 (the lowest).

Acronyms**Definition**

APS	Annual Population Survey, produced by Office for National Statistics.
ASHE	Annual Survey of Hours and Earnings, produced by Office for National Statistics.
EHCS	English House Condition until April 2008 thereafter merged with the Survey of English Housing to form the English Housing Survey (EHS), commissioned by Communities and Local Government.
FRS	Family Resources Survey, produced by the Department for Work and Pensions.
GHS	General Household Survey, produced by Office for National Statistics.
HBAI	Households Below Average Income, produced by the Department for Work and Pensions.
LFS	Labour Force Survey, produced by Office for National Statistics.
SHS	Scottish Household Survey.

Where an indicator may have two statistics, one in brackets, for example, for lowest fifth and for average, the comparison over time and across regions applies to the primary statistic i.e. the figure not in brackets.

End notes

- 1 Source: Scottish government, *GDP statistics for Scotland, quarter 4, 2009, table 2*.
- 2 The working-age population is defined as those aged 16 to 64 for men, and those aged 16 to 59 for women.
- 3 This estimate relies on the share of total income currently taken by the bottom three deciles – at the UK level, respectively 2.6 per cent, 4.5 per cent and 5.5 per cent – and the recognition that lifting the bottom two deciles above the poverty line would require each to have something like 5 per cent of total income, that is, 2.9 per cent more than they have at present. As well as using Scottish rather than UK data, a more refined estimate would take account of the different family composition of each decile.
- 4 To the 216,000 people unemployed in Scotland in the three months March to May 2010 must be added the 183,000 economically inactive who want a job (the latest figure here being for the year to September 2009). Source: *Labour Market Statistics Scotland: July 2010*, tables 1 and 11.