Monitoring poverty and social exclusion in Scotland 2006

Guy Palmer, Tom MacInnes and Peter Kenway
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As ever, responsibility for the report, including the errors within it, belongs to the authors alone.
INTRODUCTION

This is 2006 edition in a series of reports which began in 2002 with the aim of providing an independent assessment of the progress being made in eliminating poverty and reducing social exclusion in Scotland. This report follows the previous ones in all essential respects, namely:

- There are 46 indicators each comprising two graphs. The first graph typically shows progress over time while the second shows how the problem varies between different groups within the population, divided variously according to either income level, social class, economic or family status, gender, ethnicity etc. For some of the indicators, there is also a map.

- The indicators are grouped into themes and the themes into chapters. The four chapters are: poverty and low income; work and education; ill-health; and quality of life and social cohesion.

These reports are only one part of the output of *Monitoring poverty and social exclusion* and there are also separate reports for the Wales (2005) and Northern Ireland (2006) as well as for the United Kingdom as a whole (2006).

In their turn, the indicators in these reports are themselves only a small subset of the complete set of indicators which have been created as part of this project, all of which are available on the project website [www.poverty.org.uk](http://www.poverty.org.uk). At the last count, the website contained around 800 graphs and around 50 maps, drawing on a combined databank some 40Gb in size.

Anybody interested in any of the material in this report should, if they wish to explore further, visit the website. Anybody wishing to reproduce material from the report is also encouraged to visit the website to check that there is not more up-to-date information or later version of a graph. The graphs on the website are updated within a few weeks of the data being published.

Any use of this material should be acknowledged using the following text: ‘[www.poverty.org.uk](http://www.poverty.org.uk), published by the New Policy Institute on behalf of the Joseph Rowntree Foundation’.
This commentary covers the following topics.

- Poverty among children.
- Poverty among adults.
- Inequalities in income and pay.
- Educational outcomes at the bottom.
- Health inequalities.
- Quality of life and social cohesion.

POVERTY AMONG CHILDREN

The current measurement of income poverty

A household is defined as being in income poverty (‘poverty’ for short) if its income is less than 60% of the contemporary Great Britain median household income. In 2004/05, the latest year for which data is available, this was worth £100 per week for a single adult with no dependent children, £183 per week for a couple with no dependent children, £186 for a lone parent with two dependent children and £268 per week for a couple with two dependent children. This income poverty threshold is sometimes referred to as ‘relative poverty’ to distinguish it from measures which use fixed thresholds.

These sums are measured after deducting income tax, council tax and housing costs (where housing costs include rents, mortgage interest, buildings insurance and water charges). The sum of money left over is therefore what the household has available to spend on everything else it needs, from food and heating to travel and entertainment.

Progress towards the child poverty target

The UK Government’s first milestone on the road to abolishing child poverty was to reduce child poverty by a quarter by 2005 compared with 1998/99. In Scotland, this target was achieved. [4A] 1 2

This situation in Scotland contrasts with that for Great Britain as a whole, where the target was missed. Closer examination of the statistics, however, shows that the reason that the Great Britain target was missed was because there were only small falls in child poverty in two particular regions, namely London and the English West Midlands. If these two regions are excluded then the Great Britain target would have been achieved. Putting this another way, the rate of reduction in child poverty in Scotland since 1998/99 has been similar to that in Wales and in most of the English regions.[4B]

What lies behind the fall in child poverty?

Table 1 summarises the statistics on the poverty status of children in 2002/03 to 2004/05 compared to 1997/98 to 1999/00, with the information shown separately according to the work status of their family. 3 The 1997/98 to 1999/00 period has been chosen for the comparison as it is the baseline period for the UK Government’s child poverty target.
Table 1: children by family work status: changes over time

<table>
<thead>
<tr>
<th></th>
<th>1997/98 to</th>
<th>2002/03 to</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1999/00</td>
<td>2004/05</td>
</tr>
<tr>
<td>Children in working families</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total number</td>
<td>830,000</td>
<td>820,000</td>
</tr>
<tr>
<td>Number in poverty</td>
<td>130,000</td>
<td>100,000</td>
</tr>
<tr>
<td>Poverty ‘risk’</td>
<td>16%</td>
<td>13%</td>
</tr>
<tr>
<td>Children in workless families</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total number</td>
<td>250,000</td>
<td>210,000</td>
</tr>
<tr>
<td>Number in poverty</td>
<td>190,000</td>
<td>150,000</td>
</tr>
<tr>
<td>Poverty ‘risk’</td>
<td>79%</td>
<td>72%</td>
</tr>
<tr>
<td>All children</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total number</td>
<td>1,080,000</td>
<td>1,030,000</td>
</tr>
<tr>
<td>Number in poverty</td>
<td>330,000</td>
<td>250,000</td>
</tr>
<tr>
<td>Poverty ‘risk’</td>
<td>30%</td>
<td>25%</td>
</tr>
</tbody>
</table>

This table shows that the reduction in child poverty has come about because of a combination of three factors, namely:

- The risk of children in workless families being in poverty has come down, from 79% to 72%. [5A]
- The risk of children in working families being in poverty has come down, from 16% to 13%. [5A]
- The number of children who are in workless families has come down from 250,000 to 210,000.

Quantitatively, the first two of these factors have been more important than the third. In other words, most of the fall in child poverty has been due to the reduced poverty risks for both working and workless families rather than from the shift into work.

The driving forces behind the reduced risks by work status are tax credits and increases in out-of-work benefits for families with children.

Two-fifths of all the children in poverty (100,000 children) belong to households where someone is doing paid work. Most of these are in two-parent families. Clearly, work has not been the route for these families to escape poverty. [5B]

Summary of key points

1. Since 1998/99, the proportion of children in income poverty in Scotland has fallen by around a quarter, in line with the UK Government target for the UK as a whole. [4A]

2. Most of the fall in child poverty has been due to reduced poverty risks for both working and workless families, which in turn have been driven by increases in tax credits and in out-of-work benefits for families with children. The movement of parents into work has played a secondary role.

3. Two-fifths of all children in poverty have someone in their family doing paid work. Of these, most live with two parents. Among those in poverty who are in workless families, most live with just one parent. [5B]
POVERTY AMONG ADULTS

Rapid falls in pensioner poverty

Pensioner poverty gets much less media attention than child poverty, presumably because there is no UK Government target for it. Yet the record on pensioner poverty in Scotland, like elsewhere in Great Britain, has in fact been extremely good, with the pensioner poverty rate falling rapidly, around 28% in the mid-1990s to around 18% in recent years. [3A] Pensioners now account for just one in six of all the people in income poverty. [3B] The pensioner poverty rate, which used to be almost as high as the rate for children, is now similar to that for working-age adults. As a result, poverty is now no longer something that is associated particularly with pensioners.

The driving force behind this reduction in pensioner poverty has been the introduction of the Pensioner ‘Minimum Income Guarantee’ for poorer pensioners in 1999 and the revamped and extended version of this, namely ‘Pension Credit’, in 2003.

At best, stagnation in poverty rates among working-age people

In contrast to the improvement in pensioner and child poverty, the poverty rate among working-age adults without dependent children has risen from around 15% in the mid-1990s to around 18% in recent years. [3A] The 360,000 working-age adults without dependent children are now the biggest single group in poverty, accounting for more than a third of the total. [3B].

For all working-age adults, both with and without children, the poverty rate is unchanged at 18%. Given that the proportion of working-age adults who are in workless households has been reducing, down from around 23% in the mid-1990s to 19% in recent years, one would have expected the poverty rate also to have come down. The reason why this has not happened is because the risk of poverty for working-age adults in every work status is now higher than a decade ago. In other words, these increased risks by work status have offset the reductions in poverty from the shift into work. This is a very different picture than that for children, where the decreased risks by work status have added to the reductions in poverty from the shift into work. [6A]

What lies behind these increased risks and the consequent failure to reduce working-age poverty? The two main premises of the UK Government’s anti-poverty strategy are firstly ‘work as the route out of poverty’ and, secondly, ‘security for those who cannot work’. Issues arise with both these premises.

Regarding ‘work as the route out of poverty’, this has factually not happened for the two-fifths of working-age adults in poverty who already have someone in their household in paid work (excluding the self-employed). This proportion is noticeably higher than a decade ago. [6B] We suggest that the first reason for the lack of progress on working-age poverty is, therefore, that the problem of in-work poverty has not yet been fully acknowledged.
The link between in-work poverty and low pay is a complex one, chiefly because it is individuals who are paid whereas it is households whose incomes are counted for the purposes of measuring poverty. For a variety of reasons, the great majority of low paid workers do not live in households that are deemed to be in poverty. These reasons include working long hours, living with others who also work and the additional money that is now available via tax credits. But even though most low paid workers are not in poverty, it remains the case that the majority of workers whose households are in poverty are themselves low paid: low pay is therefore a major cause of in-work poverty.

Almost half a million people in Scotland were paid less than £6.50 per hour in 2006, two-thirds of them women. Among full timers, there are equal numbers of low paid men and low paid women. The reason why there are many more low paid women overall is because there are many more women doing low paid part-time work and part-time work (for both men and women) carries a high risk of low pay. So, for example, 43% of all part-time workers were paid less than £6.50 per hour in 2006 compared to 17% of female full-time workers and 12% of male full-time workers. However, as that risk is actually the same for men and women, it would seem that it is the low pay of part-timers, rather than the low pay of women, that is the immediate problem.

The geography of low pay is very different than the geography of worklessness. Whereas worklessness is highest in West Central Scotland (Glasgow, Inverclyde and West Dunbartonshire), low pay is most prevalent in Dumfries & Galloway, Clackmannanshire and Moray.

Finally, there is the question of whether trade unions are representing low paid workers as well as better paid ones. The evidence here suggests that they are not, with just 15% of workers earning less than £6.50 an hour being a member of a union, less than half the rate for those earning £21 an hour or more and less than one third the rate for those earning £15 to £21.

Regarding ‘security for those who cannot work’, it has never been clear either who counts as being ‘unable’ to work or what would constitute ‘security’ for them? In this context, it is noticeable that UK Government policy towards out-of-work benefits for working-age adults remains the same as that inherited from its Conservative predecessor, namely, that the value of such benefits should go up only in line with prices. As a result, whereas Income Support and Jobseeker’s Allowance levels for households with children and for pensioner households have risen relative to earnings, Income Support and Jobseeker’s Allowance levels for working-age adults are now worth 20% less relative to earnings than in 1997.

One group of particular concern regarding out-of-work poverty is disabled people. Whilst the proportion of disabled people who are working has increased, from 30% in 1998 to 35% in 2005, it remains well-below both the 55% for lone parents and the 85% for those who are neither disabled nor lone parents. Half of all those aged 25 to retirement who are not working are disabled. Reflecting this, three quarters of all working-age people reliant on out-of-work benefits on a long-term basis are sick or disabled.
The future measurement of income poverty

In the period to 2004/05, both the government and its critics used the same main threshold of income poverty when assessing progress towards the government’s child poverty targets, namely a household income of 60% of the contemporary Great Britain median household income. For the period to 2010, however, the UK Government is planning to use a more complicated set of measures. The major changes are threefold, namely:

- Explicit adoption of incomes ‘before deducting housing costs’, whereas the previous practice was either to look at incomes ‘after deducting housing costs’ or both before and after.
- The inclusion of a fixed income threshold, uprated by inflation only, as well as the relative threshold which rises as society becomes richer over time.
- The inclusion of material deprivation measures, which look at the proportion of the population who ‘lack because they cannot afford’ a defined set of items and activities which are deemed to be essential in contemporary society.

While each of these measures provides valuable information, it is not yet clear precisely how either the UK Government or the Scottish Executive plan to use them to judge progress. Given that the measures may well move in different directions over time, this could lead to potential confusion and disagreement about how much progress is being achieved.

A number of specific, potential concerns also arise, each of which is discussed below.

In broad terms, the **before and after deducting housing cost measures** show similar trends over time. [2A] However, the concern here is with the potentially perverse implications for policy. In particular, because Housing Benefit is counted as household income (even though this money is not actually available to the household), if social housing rents were raised, and Housing Benefit increased to compensate, this would lead to reductions in the numbers judged to be in poverty on the ‘before deducting housing costs’ measure even though no one was better off as a result.

The main issue with **fixed thresholds** is how they are used to judge progress. As society becomes richer, a fixed threshold always follows a much better trend than a relative threshold. For example, the proportion of people with incomes below a fixed threshold has halved over the last decade. [1A] So, whereas an upward future trend would clearly be very bad news, it is not clear how to assess a particular rate of downward trend.

The issue with **material deprivation measures** is their reliability as an objective measure given that they have (at least until now) been based on peoples’ subjective views as to whether or not they can afford a particular item/activity. So, for example, on the first year that such data was collected (2004/05), it showed that, whilst many people on low incomes said that they could afford selected essential items/activities, so did quite a lot of people on average incomes. [8A]
Summary of key points

4. The poverty rate for pensioners has come down from around 28% in the mid-1990s to 18% in recent years. Pensioners now account for just one sixth of all people in poverty. [3A], [3B]

5. In contrast, the poverty rate among working-age adults without dependent children has risen from around 15% in the mid-1990s to 18% in recent years. This is despite a fall in worklessness. The reason is that, unlike for children, the poverty risks for working-age adults in both working and workless households are higher than a decade ago. [3A], [6A]

6. 65% of working-age disabled people are not in paid work, compared with 45% of lone parents and just 15% of those who are neither disabled nor lone parents. Half of those aged 25 to retirement who are not working are disabled. [20A], [20B]

7. Relative to earnings, out-of-work benefits for working-age adults without children are now worth 20% less than in 1997. [9B]

8. Two-fifths of working-age adults in poverty live in households where someone is in paid work (excluding the self-employed). Two-thirds of low paid employees are women. This is largely because many more women than men work part-time and part-time work (for both men and women) carries a high risk of low pay. [6B], [23A], [23B]

9. Low pay is most prevalent in Dumfries & Galloway, Clackmannanshire and Moray, with more than 30% of all employees paid less than £6.50 per hour. This is very different to the picture for worklessness, which is most prevalent in West Central Scotland (Glasgow, Inverclyde and West Dunbartonshire). [10B], [25A]

10. In 2005, 15% of employees earning £6.50 an hour or less belonged to a trade union, compared with 40% for those earnings between £6.50 to £15 an hour, and 60% for those earning £15 to 21 an hour. [29B]

INEQUALITIES IN INCOME AND PAY

Pay inequalities

For both men and women, overall pay inequalities have remained largely unchanged over the last decade. There is, however, some evidence of a reduction in pay inequalities between low paid men and women in full-time employment. Using a different definition of low pay, a low paid woman in 2005 earned 53% of median male earnings, up from 48% a decade ago. Over the same period, a comparable low paid man continued to earn 57% of median male earnings. As a result, although there is still a gap between low paid male and female earnings, it is only half what it was a decade ago. [27A]

Income inequalities

Incomes of households with below average incomes have usually seen larger real terms percentage increases (that is, after inflation) than households with above average incomes. More specifically, households with below average incomes have enjoyed real increases of between 30% and 40% over the last decade whereas those with above average incomes have had increases of around 30%. [7A]
There are, however, two important exceptions to this picture, at the bottom (where the incomes of the poorest tenth have gone up by only 20%) and the top (where the incomes of the richest tenth have gone up by 35%).

If one looks at the absolute amounts that households have gained over the past decade, rather than the proportional changes above, a very different picture emerges. Now the pattern is that the higher the household income, the bigger the increase, for example, £60 a week extra for households in the third decile but £100 a week extra for those in the eighth. Outcomes at the bottom and the top are even more extreme: £10 a week and £250 a week respectively. [7A] As a result, 70% of the increase in income over the last decade has gone to households with above average incomes, and 30% has gone to households in the richest tenth.

Summary of key points

11. The risk of low pay among full-time workers is similar for men and women, and there is some evidence that the gender gap in low pay among full-timers has narrowed over the last decade. [27A]

12. Except for households in the top and bottom tenths in the income distribution, households with below average incomes have enjoyed bigger proportional increases over the last decade than households with above average incomes. In terms of the extra money, however, 70% has gone to those with above average incomes and 30% has gone to those in the richest tenth. [7A]

EDUCATIONAL OUTCOMES AT THE BOTTOM

On a number of overall headline indicators, the overall picture is one of steady improvement. For example, the average tariff score in S4 Standard Grades is now 170 compared with 150 a decade ago [15A] and 52% of school leavers now go on to full-time higher or further education compared to 45% a decade ago [17A].

What these overall headline indicators risk masking, however, is a picture of apparent stagnation in the proportion of children failing to achieve minimum qualifications at 16 and beyond. So, for example, the average tariff score for the bottom fifth in S4 Standard Grades was, at 50, no better in 2005 than in 1999 [15A] and the 25% of 19-year-olds who lack SVQ2 or equivalent is the same as a decade ago [18A].

The concern here is that the lower a person’s level of qualifications, the higher are the risks both of being out of, but wanting, work and of being in work but low paid. For example, those with no qualifications are twice as likely to be lacking but wanting paid work as people on average and, if working, they are two and a half times as likely to be low paid. [14A], [14B]

The vast majority of those who achieve SVQ2 or equivalent at age 16 go on to achieve further academic or vocational qualifications. By contrast, half of those who fail to achieve this standard at age 16 do not achieve it by age 24. Furthermore, the half who do make further progress appear to achieve it by age 18. In other words, failure to reach that level by 16, whilst important, is not decisive but does become decisive if not rectified by age 18. [18B]
**Summary of key points**

13. The lower a person’s qualifications, the higher are the risks either of being out of, but wanting, work or being in work but low paid. For example, those with no qualifications are twice as likely to be lacking but wanting paid work as people on average and, if working, two and a half times as likely to be low paid. [14A], [14B]

14. Whilst the average tariff score in S4 Standard Grades has continued to improve throughout the last decade, the average score for the bottom fifth has remained unchanged since 1999. [15A]

15. The proportion of 19 year-olds who fail to reach the level of SVQ2 or equivalent is, at 25%, the same as a decade ago. [18A]

16. Most 16-year-olds who reach SVQ2 or equivalent go on to gain further qualifications. Most 18-year-olds who do not reach that level do not attain it later in life. [18B]

**HEALTH INEQUALITIES**

Premature death is arguably the simplest indicator for ill-health. Within Scotland, the trend for premature deaths is one of steady improvement. For example, the rate of premature deaths has fallen over the last decade by around a sixth. Despite this, premature death remains much more common in Scotland than in Wales or any of the English regions, being around 30% higher. [30A] Indeed, all the local authority areas in Scotland apart from East Dunbartonshire have a higher rate of premature death than the England and Wales average. [30B]

There are substantial variations within Scotland. For example: the rate of premature deaths in Glasgow is more than twice as high as in some other parts of Scotland [30B]; the rate of long-standing illness in Glasgow is almost twice as high as in some other parts of Scotland [31B]; and 5-year-olds in Glasgow have, on average, twice as many missing, filled or decayed teeth as 5 year-olds in some other areas [33B].

There are also substantial health inequalities between different groups within the population. For example: two-fifths of those aged 35-59 in social housing report having a limiting longstanding illness compared with one in eight of owner-occupiers [31A] and children born to parents from manual backgrounds are twice as likely to die in their first year of life as those born to parents from non-manual backgrounds [33A].

**Summary of key points**

17. Although down by a sixth over the last decade, rates of premature death in Scotland remain around a third higher than in England and Wales. Premature death in West Central Scotland is almost twice as common as in England and Wales. [30A], [30B]

18. Children born to parents from manual backgrounds are twice as likely to die in their first year as those born to parents from non-manual backgrounds. [33A]
QUALITY OF LIFE AND SOCIAL COHESION

The issues analysed include housing (affordability, homelessness, overcrowding, without central heating), quality of services (levels of satisfaction, public transport, financial services) and neighbourhoods (levels of satisfaction, anxiety, participation).

In most cases, data is only available since 1999 and so the scope for time trend analysis is limited. On central heating, it suggests that the proportion of low income households without central heating has halved over the last decade and is now similar to that for households on average incomes. [38A] On bank accounts, it suggests that the proportion of low income households without a bank account or equivalent is a third of what it was a decade ago. [41A] On homelessness, the number of single person households accepted as homeless has now stabilised after rising for a decade. [35A]

The analysis also suggests that quality of life issues often have a disproportionate effect on poor people. For example, people on low incomes are twice as likely to feel unsafe walking alone in their area at night as those on above average incomes [44A] and a third of low income households lack home contents insurance compared to virtually no households on above average incomes [45B].

Summary of key points

19. The proportion of low-income households without central heating has halved over the last decade. [38A]

20. The proportion of low-income households without a bank account is a third of what it was a decade ago. [41A]

21. After rising for a decade, the number of single-person households accepted as homeless has now stabilised. [35A]

22. People on low incomes are twice as likely to feel unsafe walking alone in their area at night as those on above average incomes. [44A]

23. A third of low-income households lack home contents insurance compared to virtually no households with above average incomes. [45B]

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1 The target was ambiguous about whether it was before or after deducting housing costs. On both measures, however, the reduction in Scotland over the period was around a quarter.

2 Throughout this discussion, where evidence is sourced from the graphs, it is referred to by its indicator number and ‘A’ or ‘B’ to indicate whether it is the first or second of the pair.

3 On a technical point, we are using the word ‘family’ here to describe what are referred to as ‘benefit units’ in the Households Below Average Income dataset. In this official terminology, a ‘household’ (which more or less has its ordinary meaning) can contain more than one ‘benefit unit’; and indeed there are about one third more ‘benefit units’ than ‘households’ in this particular dataset.

4 For a fuller analysis of this issue, see Winckler V. and Kenway P., A scoping study on in-work poverty in Wales, the Bevan Institute, 2006. Available for download from www.npi.org.uk.

5 In this case, a low paid woman is one whose earnings are one tenth of the way up the scale of all female earnings while a low paid man is the one whose earnings are one tenth of the way up the scale of all male earnings. To aid comparability, the earnings of both are expressed in relation to male median earnings, that is, the earnings of the man exactly half way up the scale of all male earnings.
CHAPTER 1. POVERTY AND LOW INCOME

Low income

1. Income poverty: overall
2. Income poverty and housing costs
3. Income poverty: by age group
4. Income poverty: children
5. Income poverty and work: children
6. Income poverty and work: adults
7. Income inequalities
8. Lacking essential items

Reliance on benefits

9. Out-of-work benefit levels
10. Working-age recipients of out-of-work benefits

Map A: Proportion of the working-age population in receipt of out-of-work benefits

11. Long-term working-age recipients of out-of-work benefits
12. Small area concentrations of working-age benefit recipiency
13. Recipients of pension credit

Map B: Proportion of people aged 60 and over in receipt of pension credit
1. Income poverty: overall

The first graph shows the proportion of people living in households below 60% of the contemporary British median household income. The 60% median threshold is the most widely accepted threshold of low income and is, for example, that currently used in the UK Government’s child poverty targets. It is also relevant to monitor the numbers below fixed income thresholds and the graph also shows the proportion of the population living in households with incomes below the fixed threshold of 60% of the 1994/95 British median household income (adjusted for price inflation).

The second graph shows how the proportion of people who are in households below 60% of contemporary median income in Scotland compares to the English regions and Wales, with the data shown separately for 1994/95 to 1996/97 and 2002/03 to 2004/05 (this averaging over three years improves statistical reliability).

The data source for both graphs is Households Below Average Income, based on the Family Resources Survey (FRS). The self-employed are included in the statistics. Income is disposable household income after deducting housing costs, equivalised (adjusted) for household size and composition.

Overall adequacy of the indicator: high. The FRS is a well-established annual government survey, designed to be representative of the population as a whole. Note, however, that coverage does not extend beyond the Caledonian Canal.
2. Income poverty and housing costs

The first graph shows the proportion of people in households below 60% of contemporary median income, both before and after deducting housing costs.

The second graph shows how the proportion of people who are in households below 60% of contemporary median income in Scotland compares to the English regions and Wales, again both before and after deducting housing costs. To improve its statistical reliability, the data is the average for the latest three years.

The data source for both graphs is Households Below Average Income, based on the Family Resources Survey (FRS). Income is disposable household income. All data is equivalised (adjusted) to account for variation in household size and composition. The self-employed are included in the statistics.

Overall adequacy of the indicator: high. The FRS is a well-established annual government survey, designed to be representative of the population as a whole. Note, however, that coverage does not extend beyond the Caledonian Canal.
3. Income poverty: by age group

While the proportion of pensioners and children living in low income households is lower than a decade ago, the proportion for working-age adults without dependent children is higher than a decade ago.

The first graph shows the risk of a person being in a low income household, with the data shown separately for children, pensioners and working-age adults without dependent children. For presentational reasons, the figures for working-age adults with dependent children (which broadly follow the same trends as for children themselves) are not shown.

The second graph shows a breakdown of those on low income. The inner ring shows the average for the three years 1994/95 to 1996/97 and the outer ring shows the average for the three years 2002/03 to 2004/05. This averaging over three-year bands has been done to improve the statistical reliability of the results.

The data source for both graphs is Households Below Average Income, based on the Family Resources Survey (FRS). Income is disposable household income after deducting housing costs. The data is equivalised (adjusted) for household size and composition.

Overall adequacy of the indicator: high. The FRS is a well-established annual government survey, designed to be representative of the population as a whole. Note, however, that coverage does not extend beyond the Caledonian Canal.
4. Income poverty: children

The first graph shows the proportion of children living in households below 60 per cent of median income, both before and after deducting housing costs. It also shows the reduction that would have been required in Scotland to achieve the UK Government’s target for Great Britain as a whole to reduce the number of children in poverty by a quarter by 2005 compared to 1998/99, again both before and after deducting housing costs. The two measures are shown as the UK Government’s child poverty target for 2005 was ambiguous about which it was using.

The second graph shows how the risk of children being in low income households in Scotland compares with the English regions and Wales, with the data shown separately for 1997/98 to 1999/00 and 2002/03 to 2004/05. The 1997/98 period has been chosen because the UK Government’s child poverty target uses a 1998/99 baseline.

The data source for both graphs is Households Below Average Income, based on the Family Resources Survey (FRS). The self-employed are included in the statistics. Income is disposable household income after deducting housing costs. All data is equivalised (adjusted) to account for variation in household size and composition.

Overall adequacy of the indicator: high. The FRS is a well-established annual government survey, designed to be representative of the population as a whole. Note, however, that coverage does not extend beyond the Caledonian Canal.
Poverty and low income

5. Income poverty and work: children

The first graph shows the risk of a child being in a household with below 60% of median income after deducting housing costs, with the data shown separately for the following household work statuses: all working (single or couple, with one in full-time work and the other - if applicable - in full-time or part-time work); some working (includes households where no one is working full-time but one or more are working part-time); unemployed (head or spouse unemployed) and other workless (includes long-term sick/disabled and lone parents). Because the UK Government’s child poverty target uses a 1998/99 baseline, the comparison over time is made against the years 1997/98 to 1999/00 rather than the usual ‘decade earlier’.

The second graph shows a breakdown of the children who were in low income households by family type and work status (workless or someone in paid work). To improve statistical reliability, the data is the average for the latest three years.

The data source for both graphs is Households Below Average Income, based on the Family Resources Survey (FRS). The self-employed have been included in the analysis. Income is disposable household income after deducting housing costs. All data is equivalised (adjusted) to account for variation in household size and composition.

Overall adequacy of the indicator: high. The FRS is a well-established annual government survey, designed to be representative of the population as a whole. Note, however, that coverage does not extend beyond the Caledonian Canal.
6. Income poverty and work: adults

An adult’s risk of low income varies greatly depending on how much paid work the household does. These risks have increased somewhat for all household types since the mid-1990s.

The first graph shows the risk of a working-age adult being in a household with below 60% of median income after deducting housing costs, with the data shown separately for the following household work statuses: all working (single or couple, with one in full-time work and the other - if applicable - in full-time or part-time work); some working (includes households where no one is working full-time but one or more are working part-time); unemployed (head or spouse unemployed) and other workless (includes long-term sick/disabled and lone parents).

The second graph shows a breakdown of the low income working-age adults by the economic status of their household. The inner ring shows the average for the three years 1994/95 to 1996/97 and the outer ring shows the average for the three years 2002/03 to 2004/05.

The data source for both graphs is Households Below Average Income, based on the Family Resources Survey (FRS). The self-employed have been excluded from the analysis. Income is disposable household income after deducting housing costs. All data is equivalised (adjusted) to account for variation in household size and composition.

Overall adequacy of the indicator: high. The FRS is a well-established annual government survey, designed to be representative of the population as a whole. Note, however, that coverage does not extend beyond the Caledonian Canal.
7. Income inequalities

The first graph shows the average change in real incomes for each income decile over the decade to 2004/05. The bars show the change as a proportion of 1994/95 income (after adjusting for inflation) whilst the line shows the change in terms of absolute amounts in pounds per week (using 2004/05 prices).

The second graph shows the distribution of total income across the ten income deciles.

The data source for both graphs is Households Below Average Income, based on the Family Resources Survey (FRS). Income is disposable household income after housing costs. All data is equivalised (adjusted) to account for variation in household size and composition. The self-employed are included in the statistics.

Overall adequacy of the indicator: medium. The FRS is a well-established annual government survey, designed to be representative of the population as a whole, but the sample sizes are relatively small and the coverage does not extend beyond the Caledonian Canal.
Poverty and low income

8. Lacking essential items

Many people on low incomes say that they cannot afford selected essential items or activities - but so do quite a lot of people on average incomes.

The first graph looks at the proportion of households who 'do not have because they cannot afford' particular kinds of 'essential' items and activities, with the data shown separately for households in the poorest fifth and for households on average incomes. 'Do not have because they cannot afford' means that the households lacks the item/activity due to hardship rather than choice. The graph provides an analysis of the 2004/05 Family Resources Survey, when question of this type were first asked. Household income is disposable household income after deducting housing costs, where the income has been equivalised (adjusted) to account for variation in household size and composition.

The second graph shows the proportion of people who lacked at least two out of three selected consumer durables (video, freezer and washing machine). For each year, three pieces of data are shown, namely: the proportion of the poorest fifth lacking at least two of the items; the proportion of those of average incomes lacking at least two of the items; and (for comparison purposes), the proportion of the poorest fifth in the UK as a whole lacking at least two of the items. The data source is the British Household Panel Survey (BHPS).

Overall adequacy of the indicator: limited. The data is subjective and, as illustrated in the first graph, many households with average incomes nevertheless say that they cannot afford essential items/activities.

The first graph looks at the proportion of households who 'do not have because they cannot afford' particular kinds of 'essential' items and activities, with the data shown separately for households in the poorest fifth and for households on average incomes. 'Do not have because they cannot afford' means that the households lacks the item/activity due to hardship rather than choice. The graph provides an analysis of the 2004/05 Family Resources Survey, when question of this type were first asked. Household income is disposable household income after deducting housing costs, where the income has been equivalised (adjusted) to account for variation in household size and composition.

The second graph shows the proportion of people who lacked at least two out of three selected consumer durables (video, freezer and washing machine). For each year, three pieces of data are shown, namely: the proportion of the poorest fifth lacking at least two of the items; the proportion of those of average incomes lacking at least two of the items; and (for comparison purposes), the proportion of the poorest fifth in the UK as a whole lacking at least two of the items. The data source is the British Household Panel Survey (BHPS).

Overall adequacy of the indicator: limited. The data is subjective and, as illustrated in the first graph, many households with average incomes nevertheless say that they cannot afford essential items/activities.
9. Out-of-work benefit levels

The first graph provides a breakdown of the recipients of one or more 'key out-of-work benefits'. 'Key out-of-work benefits' is a DWP term which covers the following benefits: Jobseeker's Allowance, Income Support, Incapacity Benefit, Severe Disablement Allowance and Carer's Allowance. The data source is the DWP Work and Pensions Longitudinal Study. The data has been analysed to avoid double-counting of those receiving multiple benefits. The data is for February 2006.

The second graph shows how the value of Income Support / Jobseeker's Allowance has varied over time for pensioner couples (where the guaranteed part of Pension Credit has now replaced Income Support), couples with two children aged less than 11, couples with 1 child aged less than 11 and couples with no children. In each case, the base year is 1997, at which point the value of the benefits is set to 100%. The subsequent figures are deflated by the growth in average earnings using the seasonally adjusted figures from the ONS Average Earnings Index. The family types were selected to best illustrate the differing trends over time. So, for example, single adults with no dependent children is not shown as it has followed similar trends to that for couples with no dependent children. No disability benefits have been included.

Overall adequacy of the indicator: high. The statistics in the first graph are considered to be very reliable and those in the second are factual.
10. Working-age recipients of out-of-work benefits

The first graph shows the numbers of working-age people claiming one or more ‘key out-of-work benefits’. ‘Key out-of-work benefits’ is a DWP term which covers the following benefits: Jobseeker’s Allowance, Income Support, Incapacity Benefit, Severe Disablement Allowance and Carer’s Allowance. Note that this list is slightly different from ‘key benefits’, which also include Disability Living Allowance. For each year, the total is broken down by type of claimant, namely: unemployed, sick or disabled, lone parents, carers and others.

The second graph shows, for the latest year, how the proportion of the working-age population who are in receipt of a key out-of-work benefit varies by local authority. The map shows the same data but by data zone.

The data source for both the graphs and map is the DWP Work and Pensions Longitudinal Study. The data is for the month of February of each year. The data has been analysed to avoid double-counting of those receiving multiple benefits by matching data from individual samples. ONS population estimates for 2005 (the latest available) have been used to calculate the proportions in the second graph.

Overall adequacy of the indicator: high. The data is thought to be very reliable. It is based on information collected by the DWP for the administration of benefits.
Map A: Proportion of the working-age population in receipt of out-of-work benefits

SHETLAND ISLANDS
ORKNEY ISLANDS

- Highest sixth (more than 28%)
- Next sixth (19½% to 28%)
- Next sixth (13½% to 19½%)
- Below average (less than 13½%)
11. Long-term working-age recipients of out-of-work benefits

The first graph shows all those of working age who were in receipt of a 'key out-of-work benefit' for two years or more. 'Key out-of-work benefits' is a DWP term which covers the following benefits: Jobseeker’s Allowance, Income Support, Incapacity Benefit, Severe Disablement Allowance and Carer’s Allowance. For each year, the total is broken down by type of claimant. Note that a small number of ‘others’ have been omitted from the graph.

As can be seen from the first graph, the majority of long-term claimants of key out-of-work benefits are sick or disabled. In this context, the second graph shows, for the latest year, a breakdown by reason for those who have either been in receipt of Incapacity Benefit for two years or more or are in receipt of Severe Disablement Allowance.

The data source for both graphs is the DWP Work and Pensions Longitudinal Study. The data is for the month of February of each year. The data has been analysed to avoid double-counting of those receiving multiple benefits.

Overall adequacy of the indicator: high. The data is thought to be very reliable. It is based on information collected by the DWP for the administration of benefits.
12. Small area concentrations of working-age benefit recipiency

This indicator examines how the pattern of recipiency of key out-of-work benefits by working-age people varies at a small area level. It does so by placing the 6,500 small areas ("data zones") in Scotland into five equal groups according to the proportion of their working-age population who are in receipt of such benefits. The benefits included are Jobseeker’s Allowance, Income Support, Incapacity Benefit, Severe Disablement Allowance, and Carer’s Allowance and, if someone is receiving more than one of these benefits, they are only counted once.

The first graph shows the extent to which rates of recipiency vary between the five groups and the second graph shows the proportion of the total recipients who are in each group.

The data source for both graphs is the Department for Work and Pensions Longitudinal Study. The data is for February 2006.

Overall adequacy of the indicator: medium. The underlying data is a full count and is considered to be very reliable. But the data is a count of people in receipt of key out-of-work benefits rather than a direct count of people in low income.
13. Recipients of pension credit

Both graphs are concerned with the proportion of people aged 60 and over who are in receipt of the guaranteed part of Pension Credit and its predecessors (Minimum Income Guarantee and Income Support). This measure, rather than the broader measure of key benefits, is used because those in receipt of other benefits who have a low income will also be eligible for the guaranteed part of Pension Credit.

The first graph shows the number of people in receipt of the guaranteed part of Pension Credit and its predecessors as a proportion of all people aged 60 and over. The data is for the month of February of each year.

The second graph shows, for the latest year, how the proportion of people aged 60 and over in receipt of the guaranteed part of Pension Credit varies by local authority. The map shows the same data but by data zone.

The data source for both graphs and map is the DWP Work and Pensions Longitudinal Study. The data has been analysed to avoid double-counting of those receiving multiple benefits by matching data from individual samples. ONS population estimates for 2005 (the latest available) have been used to calculate the proportions in the second graph.

Overall adequacy of the indicator: high. The data is considered to be very reliable. It is based on information collected by the DWP for the administration of benefits.
Map B: Proportion of people aged 60 and over in receipt of pension credit

- Highest sixth (more than 37%)
- Next sixth (28% to 37%)
- Next sixth (21½% to 28%)
- Below average (less than 21½%)
CHAPTER 2. WORK AND EDUCATION

Educational performance

14. The relationship between education and work
15. Low achievement at school
16. Qualifications of school leavers
17. Destinations of school leavers
Map C: Proportion of school leavers not going on to full-time higher/further education
18. Qualifications at age 19

Lack of work

19. Wanting paid work
Map D: Proportion of people aged 16 to retirement wanting paid work
20. Work and disadvantaged groups
21. Workless households
22. Children in workless households

Low pay

23. Low pay by gender
24. Low pay by industry
25. Location of low pay
Map E: Proportion of employees earning less than £6.50 per hour by where they live
26. In receipt of tax credits
Map F: Proportion of working-age households in receipt of tax credits
27. Pay inequalities

Disadvantage at work

28. Insecure at work
29. Support at work
14. The relationship between education and work

The first graph shows the proportion of 25- to 50-year-olds who lack but want paid work, with the data broken down by level of highest qualification. The data is shown separately for those who are unemployed and those counted as ‘economically inactive’ who nevertheless want paid work. ‘Unemployment’ is the ILO definition. The economically inactive who want paid work includes people not available to start work for some time and those not actively seeking work.

The second graph shows the proportion of 25- to 50-year-olds who are in employment who have an average hourly gross pay of less than £6.50, with the data broken down by level of highest qualification.

The data source for both graphs is the Labour Force Survey (LFS). People aged less than 25 have been excluded because both their unemployment and low pay patterns are rather different, in part because of the substantial proportion still in education. People aged over 50 have been excluded because their high prevalence of ‘no qualifications’ makes their aggregation with the younger age group somewhat problematic.

Overall adequacy of the indicator: medium. The LFS is a well-established, quarterly survey designed to be representative of the population as whole. However, the low pay data in the second graph is considered by ONS to be less reliable than the non-income data in the first graph.
15. Low achievement at school

Whilst standard grade achievement for pupils on average continues to rise, that for the bottom fifth has remained unchanged since 1999.

The first graph shows the standard level tariff scores of the weakest performing fifth of pupils compared to the average. Tariff scores are calculated by converting Standard Grades into points, ranging from 38 for a Standard Grade 1 to 11 for a Standard Grade 5 (the first ‘low grade’) and 3 for a Standard Grade 7 (the lowest). The data source is the Scottish Executive Education Statistics. The analysis includes attainment in both Standard Grades and equivalent courses but does not include individual National Qualifications units, vocational courses or non-SQA accredited courses. Pupils based in special schools are excluded but pupils with special educational needs in mainstream classes are included.

The second graph shows the proportion of P5 pupils (typically aged 9) failing to achieve level B in reading, writing and maths. The data is shown separately for pupils in the fifth of schools with the highest proportion of their pupils eligible for free school meals (a proxy for level of deprivation) and for all pupils. The data covers the years from 1998/99 onwards (data for earlier years is not available). The data source is unpublished statistics from the Scottish Executive. Note that this data is no longer collected which is why the latest data shown is for 2003/04.

Overall adequacy of the indicator: high. Qualifications data is collected by the Scottish Executive Education Department and is based on data from all schools.
16. Qualifications of school leavers

The first graph shows the qualification level for those leaving school with no more than Standard Grades, showing those with: no Standard Grades (SGs); with SG 5 or 6 (low grades); with SG 3 or 4 (middle grades) and with SG 1 or 2 (high grades). The data source is the School Attainment and Qualification of School Leavers Statistics from the Scottish Executive. The analysis includes attainment in both Standard Grades and equivalent courses but does not include individual National Qualifications units, vocational courses or non-SQA accredited courses. Pupils based in special schools are excluded but pupils with special educational needs in mainstream classes are included.

The second graph shows the proportion of 18-19 year-olds in 2005 who did not have any qualifications above Standard Grades, with the data broken down by parental social class. The data source is the Scottish Executive publication Scotland's Young People: Findings from the Scottish School Leavers Survey, Scottish Executive; the data is for 2005.

Overall adequacy of the indicator: high. Qualifications data is collected by the Scottish Executive Education Department and is based on data from all schools.
17. Destinations of school leavers

Over the last decade, while the proportion of school leavers entering higher or further education has risen steadily, the proportion entering training has fallen by two-thirds.

The first graph shows the destination of school leavers from publicly funded schools, represented by the proportions going into full-time higher or further education, training and employment, and with a residual category of ‘other’. Most of the ‘other’ category are unemployed. The data does not distinguish between employment with and without training. The map shows how the proportion of school leavers not going into full-time higher or further education varies by local authority. To improve its statistical reliability, the data is the average for the latest three years. The data source for the first graph and map is the Destinations of Leavers from Scottish Schools survey published by the Scottish Executive.

The second graph shows, for the latest year, how the destination of school leavers varies according to the proportion of pupils in the school who are eligible for free school meals (a proxy for level of deprivation). The schools are divided into ten groups, ranging from group 1 (the tenth of schools with the highest proportion eligible for free school meals) to group 10 (the tenth with the lowest proportion). The data source is unpublished statistics from the Scottish Executive.

Overall adequacy of the indicator: high. The indicator is derived from administrative data collected by the Scottish Executive. Information on publicly funded schools is provided to the Scottish Executive by the Careers Services. Information from independent schools is collected directly from the schools.
Map C: Proportion of school leavers not going on to full-time higher/further education
18. Qualifications at age 19

The first graph shows the proportion of 19-year-olds who lack an SVQ2 or equivalent, with those lacking any Standard Grades at Level 6 or above shown separately. SVQ2 or equivalent includes those with 5 or more Standard Grades Credit level (Standard Grades 1-2), GNVQ intermediate, RSA diploma, City and Guilds craft, BTEC, SCOTVEC first or general diploma, ‘A’ levels and 5 or more ‘O’ Levels/GCSEs grade A-C. The data source is the Labour Force Survey (LFS). To improve statistical reliability, the figures for each year are the averages for the four quarters.

The second graph shows how the proportion of young adults with various levels of highest qualification varies by age. The levels of qualification shown are a mixture of academic and vocational qualifications, namely ‘A’ level or higher education, NVQ3, NVQ2, 5+ A-C GCSEs or AS levels, NVQ1 or GCSE equivalent, and no qualifications. To improve statistical reliability, the figures for each age are the average for the years from 1997/98 to 2005/06.

Overall adequacy of the indicator: medium. The LFS is a large, well-established, quarterly government survey designed to be representative of the population as a whole but the fact that the analysis is for 19-year-olds only means that the sample sizes are still small and, in this context, the year-by-year differences in the first graph are not significant.
19. Wanting paid work

Whereas the number officially long-term unemployed has fallen threefold over the last decade, the number who are either short-term unemployed or ‘economically inactive’ but want work have remained largely unchanged.

The first graph shows the number of working-age people wanting work. It is divided between the long-term unemployed, the short-term unemployed and those counted as ‘economically inactive’ who nevertheless want paid work. ‘Unemployment’ is the ILO definition, which is used for the official government unemployment numbers. It includes all those with no paid work in the survey week who were available to start work in the next fortnight and who either looked for work in the last month or were waiting to start a job already obtained. The economically inactive who want paid work includes people not available to start work for some time and those not actively seeking work.

The second graph shows, for the latest year, the proportions of those who want paid work by reason for their economic inactivity. The map shows how the proportion of the working-age population who lack, but want, paid work varies by local authority, with the data being the average for 2004/05 and 2005/06.

The data source for both graphs is the Labour Force Survey (LFS). The data for the map comes from the Annual Population Survey, which is effectively LFS with booster samples to compensate for small sample sizes in some authorities. Overall adequacy of the indicator: high. The LFS is large, a well-established, quarterly government survey designed to be representative of the population as a whole.
Map D: Proportion of people aged 16 to retirement wanting paid work

- Highest 4
- Next 4
- Next 8
- Below average
The first graph shows the proportion of working-age people who are in paid work, with the data shown separately for three groups of people: disabled, lone parents, and those who are neither disabled nor lone parents. Disability is defined as those with a ‘work-limiting disability’ and comprises those people who stated that they have had health problems for more than a year and that these problems affect either the kind or amount of work they can do.

The second graph shows, for the latest year, a breakdown of those aged 25 to retirement who are not working by whether or not they are disabled and whether or not they are lone parents. The lower age limit of 25 has been chosen to avoid the distorting influence of the large numbers of people in education at younger ages.

The data source for both graphs is the Labour Force Survey (LFS) and the data for each year is the average for the four quarters to the relevant Winter.

*Overall adequacy of the indicator: high. The LFS is a large, well-established, quarterly government survey, designed to be representative of the population as a whole.*
For each of a number of working-age household types, the first graph shows the proportion of the households who are workless (i.e. households where none of the adults are working). The four household types shown are lone parent households, single adults without dependent children, households with two or more adults but no dependent children, and households with two or more adults and one or more dependent children.

The second graph shows, for the latest year, the proportion of all workless working-age households who are in each household type.

The data source for both graphs is the Labour Force Survey (LFS). The data for each year is the average for the Spring and Autumn quarters (analysis by household type not being available for the Summer and Winter quarters). In both graphs, households which are entirely composed of full-time students have been excluded from the analysis, as have households where their economic status is not known. In both graphs, full-time students have been excluded from the calculations to decide whether the household has one or more than one adult.

Overall adequacy of the indicator: high. The LFS is a well-established, quarterly government survey designed to be representative of the population as a whole.
22. Children in workless households

The first graph shows the number of children living in households in which none of the working-age adults is in paid work. The data is separated by family type, namely couple households, lone parent households and other households.

The second graph shows, for the latest year, the proportion of households in each family type where none of the working-age adults is in paid work.

The data source for both graphs is the Labour Force Survey (LFS) and the data for each year is the average of the Spring and Autumn Quarters (the data not being collected in the other two quarters). Working-age households are those with at least one person of working age.

Overall adequacy of the indicator: high. The LFS is a well-established, quarterly government survey, designed to be representative of the population as a whole.
23. Low pay by gender

At all ages, at least a third of part-time employees are paid less than £6.50 per hour. Except for the 18-21 age group, the proportion of full-time workers paid less than £6.50 per hour is much less.

The first graph shows the proportion of employees paid less than £6.50 per hour, with the data shown separately by age for each of part-timers (men and women combined), full-time women and full-time men. The reason for combining male and female part-timers is that their risk of low pay is similar.

The second graph shows the distribution of employees paid less than £6.50 per hour by male/female and full-time/part-time. £6.50 per hour is roughly two-thirds of the Great Britain median hourly earnings and is commonly used as a threshold when analysing low pay.

The data source for both the graphs is the Annual Survey of Hours and Earnings (ASHE) and the data is for 2006.

Overall adequacy of the indicator: medium. ASHE is a large annual survey of employers but sample sizes limit some of the analyses.

Source: Annual Survey of Hours and Earnings 2006, ONS
The first graph shows how the proportion of workers who were paid less than £6.50 per hour varies by industry sector, with the data shown separately for men and women. The second graph shows the share of low paid workers by industrial sector. A low pay threshold of £6.50 per hour has been used. This threshold is roughly two-thirds of the Great Britain median hourly earnings and is commonly used as a threshold when analysing low pay.

Some of the sectors have been combined together for presentational purposes with the particular sectors shown being manufacturing and other production (A-F); wholesale & retail (industry code G); hotels & restaurants (H); public administration, education & health (L-N); other business activities (J-K); and other services (I & O-Q).

The data source for both graphs is the Labour Force Survey. People whose hourly pay rates cannot be calculated from the survey data have been excluded from the analysis.

Overall adequacy of the indicator: medium. The Labour Force Survey is large, a well-established, quarterly government survey of designed to be representative of the population as a whole but there are some doubts about the reliability of its low pay data.
The first graph and map both show the proportions of employees paid less than £6.50 per hour by local authority. The data is based on where people live rather than where they work. To improve its statistical reliability, the data is the average for the years 2004 to 2006.

The second graph shows, for 2006, how the proportion of employees paid less than £6.50 per hour in Scotland compares with the English regions and Wales, with the data shown separately for men and women.

The data source for both graphs and map is the Annual Survey of Hours and Earnings (ASHE).

Overall adequacy of the indicator: high. ASHE is a large annual survey of employers.
Map E: Proportion of employees earning less than £6.50 per hour by where they live

- Highest 4
- Next 4
- Next 8
- Below average
26. In receipt of tax credits

This indicator looks at households in receipt of tax credits, excluding those just receiving the family element of Child Tax Credit (on the grounds that even most above average income households with children receive it).

The first graph provides an analysis of the children in working households in receipt of tax credits over and above the basic family element of Child Tax Credit. The three categorisations are: a) 'still in low income': even after taking the tax credit monies into account, the household income remains below 60% of median income after deducting housing costs; b) 'no longer in low income because of the tax credits': after taking the tax credit monies into account, the household's income is above the 60% of median income threshold but if the household was not in receipt of tax credits then its income would be below 60% of median income; and c) 'would not be in low income even without the tax credits'. The data source is Households Below Average Income, based on the Family Resources Survey (FRS), and is for 2004/05.

The second graph and map show, for 2006, the proportion of working-age households in receipt of tax credits. The data source is HM Revenue & Customs.

Overall adequacy of the indicator: medium. The analysis in the first graph is considered to be reliable but is a new way of looking at the data.
Map F: Proportion of working-age households in receipt of tax credits

- Highest 4
- Next 4
- Middle 16
- Next 4
- Lowest 4
The first graph focuses on pay differentials. It shows gross hourly pay of full-time male and female employees at the 10th and 90th percentiles, i.e. the pay of men/women one tenth of the way from the bottom/top of the pay distribution for each gender. In each case, the statistics are shown as a proportion of average (median) hourly pay of full-time male employees thus providing a measure of earnings inequalities. The left-hand axis shows proportions at the 10th percentile and the right hand axis shows the proportion at the 90th percentile. The data source is the New Earnings Survey (NES) up to 1998 and the Annual Survey of Hours and Earnings (ASHE) from 1998 onwards. The two surveys use slightly different methods of calculation so the NES figures have had a small adjustment applied to cater for this. Some detailed changes were made to the ASHE survey base in 2004 and an adjustment has also been made for this.

The second graph shows, for the latest year, the distribution of employees across the pay spectrum with the data show separately for part-time women, part-time men, full-time women and full-time men. The data source is ASHE.

Overall adequacy of the indicator: medium. ASHE is a large annual survey of employers but the published data does not provide direct estimates of the number of people at various low pay thresholds.
28. Insecure at work

Half of the men, and a third of the women, making a new claim for Jobseeker’s Allowance were last claiming less than six months ago. These proportions are similar to a decade ago.

Only one in seven part-time employees wants a full-time job - but more than a third of temporary employees would like a permanent job.

The first graph tackles insecurity at work through the issue of people who find themselves taking a succession of jobs interspersed with periods of unemployment. It shows the probability that someone who makes a new claim for Jobseeker’s Allowance was last claiming that benefit less than six months previously. This is effectively the same as the proportion of people finding work who then lose that work within six months. Figures are shown separately for men and women. The data is taken from the Spring Quarters of the Joint Unemployment and Vacancies Operating System (JUVOS) cohort.

The second graph shows, for 2005/06, the principal reasons that people give for taking part-time work or temporary work. In each case, the main point of interest is those taking these forms of work who would prefer, respectively, full-time or permanent work. The data source is the Labour Force Survey (LFS).

Overall adequacy of the indicator: medium. While the claimant count data is sound, the narrow definition of unemployment that it represents means that it understates the extent of short-term working interspersed with spells of joblessness.
29. Support at work

Although there has been some improvement over the last decade, people with no qualifications are still 2½ times less likely to receive job-related training than those with some qualifications.

The first graph is concerned with the question of whether work-based training is a benefit that is enjoyed at least as much by those with low levels of qualification as others. It shows the proportion of employees who have had some job-related training in the last three months, with the data shown separately for those with some previous qualifications and those without. The qualifications include both current qualifications and those which have been awarded in the past.

The second graph shows, for the latest year, the proportion of people currently employed who are members of a trade union or staff association, with the data shown separately by level of pay.

The data source for both graphs is Labour Force Survey (LFS). The data for each year in the first graph is the average for the four quarters to the relevant Winter quarter. The training includes that paid for by employers and by employees themselves, and the data is for people aged 16 to retirement. The figures in the second graph are for the 2005 Autumn Quarter of the Labour Force Survey (the data is only collected in the autumn quarters).

Overall adequacy of the indicator: medium. The LFS is a large, well-established, quarterly government survey of households designed to be representative of the population as a whole. But a single, undifferentiated notion of ‘training,’ without reference to its length or nature, lessens the value of the indicator.
CHAPTER 3. ILL-HEALTH

Overall morbidity and mortality

30. Premature death

Map G: Deaths of those aged under 65 per 100,000 aged under 65

31. Limiting long-standing illness

Map H: Proportion of those aged 16 to 59 with a limiting long-standing illness

Ill-health among children

32. Low birthweight babies

33. Child health

34. Underage pregnancies
30. Premature death

Throughout the last decade, the number of premature deaths in Scotland has been much higher than in England and Wales.

Premature death is arguably the simplest, most accessible indicator for ill-health, being a summary measure of all major health problems which result in death.

The first graph shows the number of deaths of those aged under 65 per 1,000 people aged under 65, with separate statistics for men and women. For comparison purposes, the equivalent data for England and Wales is also presented.

The second graph and map show the same data as the first graph but separately for each local authority (men and women combined). To improve statistical reliability, the data is averaged over the latest three years. For comparison purposes, the average for England and Wales is also shown on the graph.

The data source for both graphs is the General Register Office for Scotland and Mortality Statistics Division, ONS for England and Wales. In both cases, the data is standardised to the total European population by age and sex.

Overall adequacy of the indicator: high. Data on death rates is sourced from administrative data and represents counts of all deaths.
Map G: Deaths of those aged under 65 per 100,000 aged under 65

- Highest 4
- Next 4
- Next 8
- Below average
31. Limiting long-standing illness

The first graph shows the proportion of adults self-reporting a limiting long-standing illness by age band (under 35, 35-59 and 60+) and housing tenure. The data source is the Scottish Household Survey (SHS) and the data is the average for 2003 and 2004.

The second graph shows how the proportion of working-age people self-reporting a limiting long-standing illness varies by local authority.

The map shows how the proportion of people aged 16 to 59 self-reporting a limiting long-standing illness varies by small area.

The data source for the second graph and the map is the 2001 Census.

Overall adequacy of the indicator: high. The question is the usually accepted way of measuring the prevalence of limiting long-standing illness.
Map H: Proportion of those aged 16 to 59 with a limiting long-standing illness
32. Low birthweight babies

The first graph shows the proportion of live births who are defined as having a low birth weight, i.e. less than 2.5 kilograms (5.5lbs). The data is shown separately for full-term and premature babies. The data is for all live births, both premature and full-term and for singleton and multiple births. It excludes still-births, home births and births at non-NHS hospitals. Low birthweight babies face a range of future health problems: poor health in the first four weeks of life, a higher risk of death before the age of two and delayed physical and intellectual development in early childhood and adolescence among them.

The second graph shows, for the latest year, the proportion of low birthweight babies according to the deprivation category of their parents’ area of residence, with the data shown separately for the latest year and a decade earlier. The data is for live births only and omits those cases where the deprivation category was not known.

The data source for both graphs is ISD Scotland. ISD states that the deprivation analysis is based on Carstairs 1991 deprivation quintiles.

Overall adequacy of the indicator: high. The data is a count of births. Adequacy for the second graph can be regarded as medium: relative levels of deprivation in areas can change over time and the measure used may not adequately reflect such changes and the graph measures area deprivation, not deprivation of the parents themselves.
33. Child health

The first graph shows the annual number of infant deaths per 1,000 live births, with the data shown separately according to the social class of the father. Infant deaths are deaths which occur at ages under one year. Up to the year 2000, the social classes used are the traditional ones, ranging from I to V. From 2001, Scotland has adopted the new ONS social class classifications. The data source is the General Registrar Office and the data is based on a 100% sample of live births. Cases where the social class of the father is unknown have been excluded from the analysis.

The second graph shows how the average number of missing, decayed or filled teeth for 5-year-olds varies by NHS Board (data by local authority not being available). Research by the British Association for the Study of Community Dentistry suggests that this measure is strongly correlated with other aspects of disadvantage. For comparison purposes, the equivalent data for England and Wales is also shown. The data source is a 2002/03 survey conducted by the British Association for the Study of Community Dentistry.

Overall adequacy of the indicator: medium. The number of live births that are not coded is relatively few but the change in social class definition makes the time trends harder to interpret.

The first graph shows the annual number of infant deaths per 1,000 live births, with the data shown separately according to the social class of the father. Infant deaths are deaths which occur at ages under one year. Up to the year 2000, the social classes used are the traditional ones, ranging from I to V. From 2001, Scotland has adopted the new ONS social class classifications. The data source is the General Registrar Office and the data is based on a 100% sample of live births. Cases where the social class of the father is unknown have been excluded from the analysis.

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Overall adequacy of the indicator: medium. The number of live births that are not coded is relatively few but the change in social class definition makes the time trends harder to interpret.
34. Underage pregnancies

The first graph shows the number of pregnancies per year to girls under the age of 16, with the data shown separately for delivered babies and for abortions. Conceptions are counted after the birth of the child, which is commonly in the calendar year following conception.

The third graph shows, for the latest year, the number of live births by females aged 15 to 19 as a proportion of the total live births by females, with the data grouped according to the deprivation quintile of the area where the mother lives.

The data source both graphs is ISD Scotland. ISD states that the deprivation analysis is based on the Social Index of Multiple Deprivation but is not explicit about which year of the index has been used.

Overall adequacy of the indicator: medium. The collection of the conception and births statistics is an established process.
CHAPTER 4. QUALITY OF LIFE AND SOCIAL COHESION

Housing

35. Homelessness
36. Overcrowding
37. Affordable housing
38. Without central heating

Quality of services

39. Access to essential services
40. Public transport
41. Financial services
42. Help to live at home

Neighbourhoods

43. Satisfaction with local area
44. Anxiety and worry
45. Burglary
46. Participation in the community
The first graph shows the number of households accepted by their local authorities as homeless each year, with the data being broken down into three broad household types: households with dependent children, single person households aged 25 or more and single person households aged less than 25. The figures include both households who are ‘priority’ and those who are ‘non-priority’. The small number of couples without children who are accepted as homeless are not shown.

The second graph provides, for the latest year, a breakdown of the reasons why the households were accepted as homeless.

The data for both graphs is from the Housing Trends Statistical Bulletin published by the Scottish Executive.

Overall adequacy of the indicator: medium. While there is no reason to believe there is any problem with the underlying data, the extent to which it leaves ‘homelessness’ dependent on administrative interpretation means that there is some uncertainty about the extent to which the figures accurately measure the scale of the homelessness problem. Also, not all homeless people apply to local authorities to be classified as such and, for example, the increased in the number of single people applying since 2002 might be due, at least in part, to the widening eligibility for temporary accommodation introduced in September 2002.
36. Overcrowding

The first graph shows the proportion of households who are overcrowded using a measure of occupation density known as the ‘bedroom standard’. The ‘bedroom standard’ is calculated in relation to the number of bedrooms, the number of household members and their relationship to each other. One bedroom is allocated to each married or cohabiting couple, any other person over 21, each pair aged 10 to 20 of the same sex and each pair of children under 10.

The second graph shows how levels of overcrowding vary by tenure.

The data source for both graphs is the Scottish Household Surveys (SHS).

Overall adequacy of the indicator: medium. The SHS is a large survey designed to be representative of private households and of the adult population in private households in Scotland. However, the bedroom standard itself is low, particularly for those aged over 10, and the overall level of overcrowding shown may therefore be too low.
37. Affordable housing

The first graph shows, for each year for first time buyers, average house prices and annual mortgage costs, in each case compared with the average earnings for full-time male employees. The house price data comes from the Department for Communities and Local Government live table 503. The mortgage costs, which include both repayment and interest costs, are based on a standard twenty-five year mortgage at the average interest rates prevailing in each year. The data source for the earnings data is the New Earnings Survey (NES) up to 1998 and the Annual Survey of Hours and Earnings (ASHE) from 1998 onwards (note that NES only provides average earnings by gender and not overall).

The bars in the second graph shows how the house price to earnings ratio in Scotland in 2005 compares to the English regions and Wales. The line shows the proportion of working households who ‘cannot afford to buy at the low end of the market’, where the ‘low end of the market’ is defined as houses at the first decile house price and ‘cannot afford to buy’ is defined as meaning that the required mortgage would be more than 3¾ times the household income for households with a single adult earner and 3¼ times the household income for households with two or more adult earners. The data source is a forthcoming update to a 2005 Joseph Rowntree Foundation report entitled Affordability and the intermediate market.

Overall adequacy of the indicator: medium. The analysis is interesting but requires a number of assumptions to be made.
The first graph shows the proportion of households without central heating, with separate figures for households in the poorest fifth of the population and for households on average incomes. While the obvious choice for an indicator on housing standards would be changes in energy efficiency or fuel poverty over time, such data is not available. The data source is the Family Resources Survey (FRS). Income is household disposable income, equivalised to take account of household composition and is measured after deducting housing costs. The missing years are because the question about central heating is only asked in some years. Also note that the question was not asked in 2004/05.

The second graph shows the proportion of retired people who are classified as living in fuel poverty, with the data separated out by housing tenure and by level of household income. The definition of fuel poverty is that adopted by the Scottish Executive in 2002. The data source is the 2002 Scottish House Condition Survey. Note that, although the 2004 Scottish House Condition Survey has been completed, its sample size is not sufficient to do the equivalent analysis.

Overall adequacy of the indicator: high. The FRS is a well-established government survey that gathers information on household incomes and other resources. It is designed to be representative of the population as a whole.
39. Access to essential services

This indicator examines perceptions of the convenience of local services, showing the proportions of those who found the services ‘fairly inconvenient’ or ‘very inconvenient’. The services covered are grocery/food shop, post office, chemist, doctors, bank and outpatients.

In the first graph, the data is broken down by type of area, namely ‘urban’ (population 10,000 or greater), ‘small towns’ (population between 3,000 and 10,000) and ‘rural’ (population less than 3,000).

In the second graph, the data is broken down by the number of cars in the household.

The data source for both graphs is the Scottish Household Survey (SHS). To improve statistical reliability, the data is the average for the latest three years.

Overall adequacy of the indicator: high. The SHS is a large survey designed to be representative of private households and of the adult population in private households in Scotland.
40. Public transport

The first graph shows the proportion of people who found public transport either fairly or very inconvenient. The results are broken down into a six category 'urban/rural hierarchy' stretching from the four cities at one end to remote rural areas at the other. This choice of breakdown reflects the recognition that inadequate public transport has received within the Scottish Executive as one of the major causes of social exclusion within rural communities.

The second graph shows the relative importance of selected reasons given by people for being non-users of public transport, namely because the service takes too long or because of a lack of a service. These reasons were selected from a wider selection on the basis that they showed the greatest difference between urban and rural areas. The data is again broken down by the six category urban/rural hierarchy.

The data source for both graphs is the Scottish Household Survey (SHS). To improve statistical reliability, the data is the average for the latest three years.

Overall adequacy of the indicator: high. The SHS is a large government survey designed to be representative of private households and of the adult population in private households in Scotland.
41. Financial services

The first graph shows the proportion of households without a bank, building society or any other kind of account. The data is split to show households in the poorest fifth of the income distribution and for households on average incomes separately. The data source is the Family Resources Survey (FRS). As well as bank, building society and post office accounts, the figures also count any savings or investment accounts but do not include stocks and shares, premium bonds, gilts, Save As You Earn arrangements or Credit Unions. Income is household disposable income, equivalised (adjusted) for variations in household size and composition is measured after deducting housing costs. Note that, although the statistics are for Scottish households only, the allocations to income quintile are those for the total GB population income distribution.

The second graph shows, for the latest year, the proportion of currently employed working-age adults not contributing to a non-state pension, with the data broken down by household income quintile. Note that ‘not contributing to a pension’ is not the same as ‘not having a pension’ because a) some people will belong to a non-contributory pension scheme and b) some people will have a pension which they happen not to have contributed to over the latest year. The data source is FRS.

Overall adequacy of the indicator: medium. The FRS is the most representative of the surveys that gather information on the extent to which people have bank and other types of account. However, the sample sizes are relatively small.
42. Help to live at home

The first graph shows the number of people aged 65 and over receiving home care per 1,000 population aged 65 and over. From 1998 onwards, the data is shown separately for those receiving 10 hours or more of help per week and those receiving less than 10 hours per week (this division is not available for the earlier years).

The second graph shows how the proportion of people aged 65 and over receiving home care varies by local authority. To improve statistical reliability, the data is averaged over the latest three years.

The data source for both graphs is the Community Care Statistics of the Scottish Executive.

Overall adequacy of the indicator: medium. The underlying data has been collected for a number of years and can be considered reliable. However, the data is difficult to interpret as the number of people receiving home care depends on the local authority policies on how to ration available resources between those most in need of help and those less in need as well as on the scale of the available resources.
43. Satisfaction with local area

Both graphs show the proportion of people who dislike their neighbourhood because of vandalism or young people hanging around / nothing for young people to do. The two reasons for disliking the area highlighted in the graph were selected from a wider list, and were chosen on the basis of popularity (they were the top two reasons).

In the first graph, the data is broken down by the level of deprivation in the local area. In the second graph, the data is broken down by income quintile.

The data source for both graphs is the Scottish Household Survey (SHS). To improve statistical reliability, the data is the average for 2003 and 2004 (analysis by deprivation not being possible for earlier years).

Overall adequacy of the indicator: low. Although the SHS is a large and representative survey, the multiple choice nature of the questions asked limits the value of the results.
44. Anxiety and worry

The first graph shows the proportion of people who feel unsafe walking alone in their area at night, with the data broken down by income quintile. It includes all those who answered either “very unsafe” or “a bit unsafe” when asked “how safe do you feel walking alone in your neighbourhood after dark?”

The second graph shows the proportion of people who are worried about being burgled, again with the data broken down by income quintile.

The data source for both graphs is the Scottish Household Survey (SHS). To improve statistical reliability, the data is the average for the latest three years.

Overall adequacy of the indicator: high. The SHS is a large survey designed to be representative of private households and of the adult population in private households in Scotland.
Burglary ('housebreaking') is the crime that most people are worried about. It is also a crime which has a disproportional impact on people on low incomes as they are less likely to have home contents insurance and less likely to be able to replace stolen goods. The first graph shows the number of burglaries recorded by the police in each year shown. The data source is the Scottish Executive's publication Recorded Crime In Scotland.

Note that data on the incidence of burglary by level of deprivation is not available.

The second graph shows the proportion of households lacking home contents insurance, with the data broken down by income quintile. The data source is the Scottish Household Survey (SHS). To improve statistical reliability, the data is the average for the latest three years.

Overall adequacy of the indicator: medium. The data itself is considered reliable. However, the number of crimes recorded by the police is substantially less than the number of crimes actually committed because not all are reported to the police. Furthermore, it may be that recording practices vary over time or between authorities.
46. Participation in the community

The first graph shows the proportion of people who feel involved in their local community, with the data broken down by income quintile.

The second graph shows the proportion of people who have helped a charity/organisation in an unpaid capacity in a 12-month period, with the data again broken down by income quintile.

The data source for both graphs is the Scottish Household Survey (SHS). To improve statistical reliability, the data is the average for the latest three years. Not that the question about involvement in the local community was not asked in 2003 or 2004.

Overall adequacy of the indicator: high. The SHS is a large survey designed to be representative of private households and of the adult population in private households in Scotland.