



*PERTH &  
KINROSS*  
COUNCIL

# **Briefing Note**

## **Poverty Estimates for Perth and Kinross 2022**

June 2023

# Context

To a passing stranger, Perth and Kinross has all the appearance of an affluent area. We have only 3 data zones in the bottom decile of the Scottish Index of Multiple Deprivation (SIMD) – Blairgowrie East (Ratray) - 03, Hillyland, Tulloch and Inveralmond – 01 and Muirton – 01.

Indeed, one of the first challenges we faced was to persuade people that Perth and Kinross had levels of poverty which were problematic.

The powerful testimony of people with direct experience of poverty led us to an understanding that "*intense poverty exists in Perth and Kinross*" and that it restricts the life chances and opportunities of those who experience it." The report on "**Child Poverty in Perth and Kinross**" by the Scottish Poverty and Inequality Research Unit and the Poverty Alliance galvanised the Community Planning Partnership, Perth and Kinross Council and NHS Tayside to make tackling poverty a key priority.

The real extent of poverty is masked by 3 things

- poverty is stigmatised and it is difficult for people to be open about the fact that this is a challenge that they face
- the Scottish Index of Multiple Deprivation, used as a proxy for measuring poverty, identifies deprived areas, not people. It is not good at identifying poverty where it is dispersed such as in rural areas like Perth and Kinross. This is problematic because the Scottish Government distributes £369M to local authorities based on SIMD data
- the over-reliance on income-based measures which do not take account of the higher cost of living in rural areas. The Scottish Government's report "Poverty in rural Scotland" found that many rural households were at risk of poverty due to their high expenditure on travel, food and fuel.

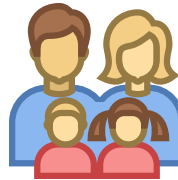
The UK Minimum Income Standard (MIS) Report 2022 provides an income calculator which can be used to identify the income level which different family types need to attain to secure an acceptable standard of living. These figures were then updated to give an approximation of where the poverty line rested for different family types in rural Perthshire.



## Single Person

MIS UK £24,482  
With Rural Uplift £26,670

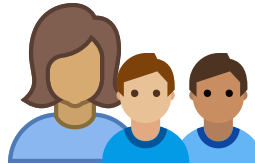
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## Couple with 2 Children

MIS UK £51,998  
With Rural Uplift £56,354

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## Lone Parent with 2 Children

MIS UK £62,277  
With Rural Uplift £65,700

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## Pensioner Couple

MIS UK £26,113  
With Rural Uplift £28,683

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## Single Pensioner

MIS UK £16,969  
With Rural Uplift £19,235

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## Summary

- Intense poverty exists in Perth and Kinross
- The distribution of significant Scottish Government funding based on SIMD estimates disadvantages Perth and Kinross where poverty is dispersed
- The rural poverty premium means that many more people are experiencing poverty in Perth and Kinross than income based measures suggest.

# Poverty Estimates 2021 - 2022



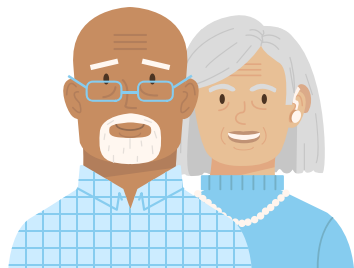
21.9%  
5914

Children in relative poverty (below 60% of UK median income, after housing costs).  
Based on local estimates provided by Loughborough University for the End Child Poverty Coalition.



19%  
16800

Working-age adults in relative poverty (below 60% of UK median income, after housing costs).  
Based on extrapolations rounded to the nearest 100.



13%  
4600

Pensioners in relative poverty (below 60% of UK median income, after housing costs).  
Based on extrapolations rounded to the nearest 100.

Data for working-age adults and pensioners in poverty is not provided at local authority level, and therefore we can only report on the basis of extrapolated figures. We have reduced the %age figures for Scotland by 2% to take account of the slightly lower poverty rates in Perth and Kinross compared with Scotland and used mid-year population estimates to calculate our final estimate, rounded to the nearest 100.

## **These statistics come with a health warning:-**

- They report on a two-year average (normally a 3-year average – but this was interrupted by the Covid-19 pandemic and so the 2020 figures are not included).
- The data provided are for the year end to March 2022 and therefore does not cover the period during which the cost of living crisis really took hold.
- The data has yet to reflect the full impact of the Scottish Child Payment and it includes the 6 month extension to the £20 a week rise in the standard allowance of Universal Credit (UC) provided by the Government in response to the Covid-19 pandemic. This uplift, amounting to £1000 additional income per year for households in receipt of UC was removed in October 2021. This measure is likely to have pushed down poverty rates for families during this period.

# Poverty rates fairly stable between 2017 and 2022 despite COVID and the Cost-of-Living Crisis



2017/18	5865	22.4%
2018/19	5467	21.1%
2019/20	6089	22.6%
2020/21	5285	18.7%
2021/22	5914	21.9%

Children in relative poverty (below 60% of UK median income, after housing costs).

Based on local estimates provided by Loughborough University for the End Child Poverty Coalition.

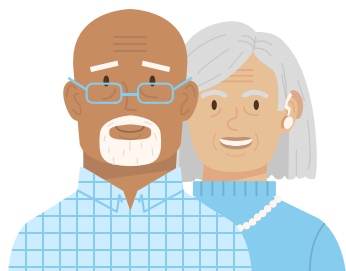
*N.B The Scottish Government recommend ignoring the 2020/21 figures due to data collection issues during COVID-19 rendering results unreliable.*

*Overall Child Poverty figures have remained fairly stable.*



2017/18	16000	18%
2018/19	15100	17%
2019/20	15100	17%
2020/21	15200	17%
2021/22	16800	19%

Working-age adults in relative poverty (below 60% of UK median income, after housing costs).



2017/18	4300	13%
2018/19	4400	13%
2019/20	4100	12%
2020/21	4200	12%
2021/22	4600	13%

Pensioners in relative poverty (below 60% of UK median income, after housing costs).

*Data for working age adults and pensioners is not available at local authority level therefore these figures are based on extrapolations of Scottish Government figures for All Scotland, reduced by a 2% to account for lower poverty rates in Perth and Kinross compared with Scotland as a whole and rounded to the nearest 100.*

Poverty Threshold (Before Housing Costs) - at 60% of median earnings - equivalised by family type and size.



Single Adult £249 per week



Couple with 2 children £569 per week



Couple £372 per week



Couple with 3 children £595 per week



Lone parent with 2 children £446 per week

# Deepening Poverty

There are different levels of poverty experienced by people in Scotland.

**Just above the poverty line** – this includes households that are between 60% of the median income (the poverty line) and 70% of the median.

**Just below the poverty line** – this includes households that are below the poverty line (60% of the median income) but above 50% of the median income.

**Deep but not very deep poverty** – this includes households below 50% of the median income but above 40%.

**Very deep poverty** – this includes households below 40% of the median income

Local figures for Perth and Kinross for deep poverty and very deep poverty do not exist, however we worked with Carla Cebula, Senior Analyst at the Joseph Rowntree Foundation and have produced the following estimates:-



2600 children in deep but not very deep poverty

2600 children in very deep poverty

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17% of children in lone parent families are in deep but not very deep poverty

13% of children in lone parent families are in very deep poverty

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7% of children in 2-parent families are in deep but not very deep poverty

8% of children in 2-parent families are in very deep poverty

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- Single people without children, families where someone has a disability and ethnic minority people are at greatest risk of very deep poverty.
- Around 3 in 10 people in very deep poverty are in a family where someone is working full time. This fits with the national story of rising in-work poverty.

# Additional Information



There are 1675 families in receipt of Council Tax reductions - 60% of these are lone parent families (1007).

1137 (68%) families receiving Council Tax Reductions have no income from employment

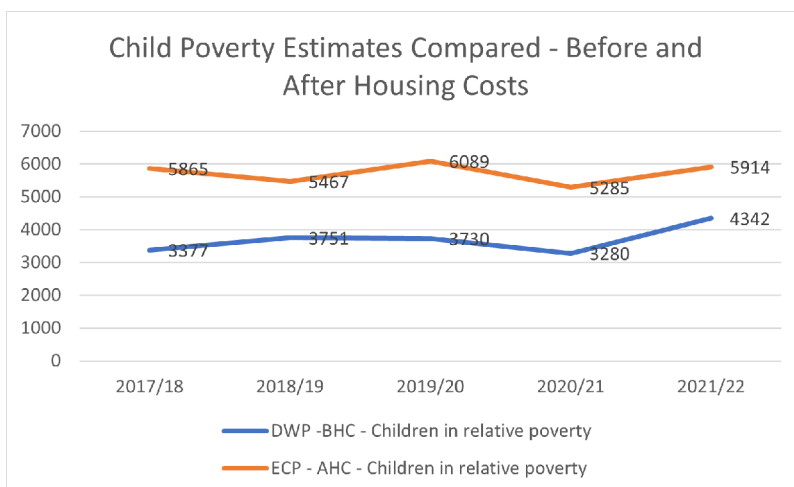
17% of families receiving Council Tax reduction are also in receipt of at least one of the disability premiums

Data correct at 30.8.22

## ACORN DATA

ACORN	Total	Percentage
Affluent Achievers	21572	31%
Rising Prosperity	2728	4%
Comfortable Communities	20017	29%
Financially Stretched	16860	24%
Urban Adversity	7783	11%

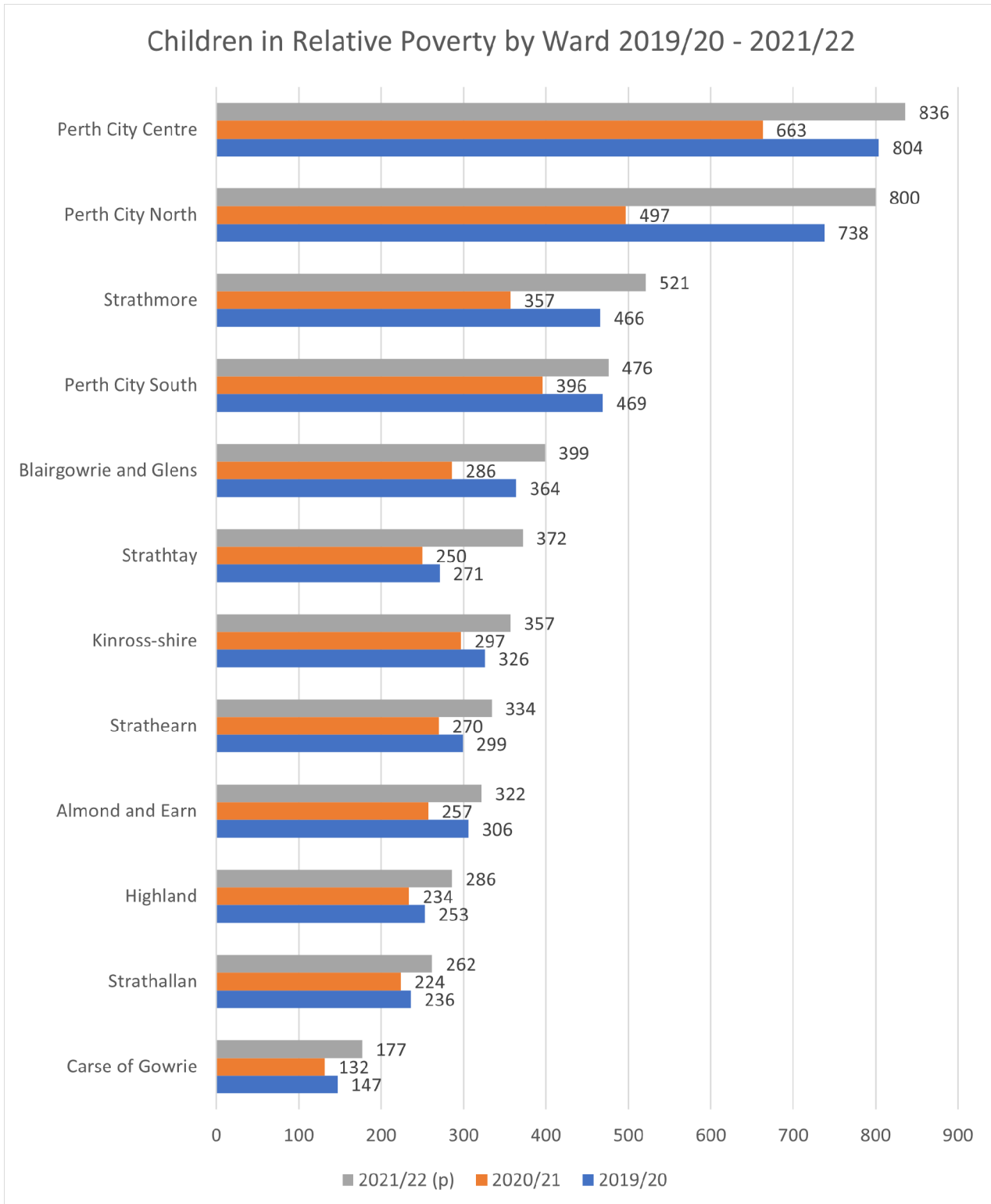
Aside from those who are experiencing relative poverty, the ACORN data for Perth and Kinross reports at household level. As there is an average of 2.21 persons per household for PKC (based on 2018 data) it is likely that the number of people who are struggling financially stands at around 58,000 - or 1 in 3 of those living in Perth and Kinross.



The next page provides ward level statistics for children in relative poverty before housing costs. Please note the difference between the two calculations before and after housing costs for Perth and Kinross as a whole. The UK Government uses the *Before Housing Costs* measure to count children in relative poverty, and the Scottish Government uses the *After Housing Costs* figure.

# Ward Level Data

At this stage we can only provide ward level data for children in relative poverty - before housing costs. **Therefore this is an underestimate of the actual numbers of children in poverty.** It does however provide a useful means of comparing one ward with another in terms of prevalence. In previous years %ages have been provided, but these are not currently available for 2022.



# Data Sources

**The rural poverty premium and Minimum Income Standard** - <https://www.jrf.org.uk/report/minimum-income-standard-uk-2022> and <https://www.gov.scot/publications/poverty-rural-scotland-review-evidence/pages/6/>

**The funding of local government in Scotland 2022** - SIMD spend -

<https://www.gov.scot/binaries/content/documents/govscot/publications/statistics/2022/03/funding-local-government-scotland-2022-23/documents/funding-local-government-scotland-2022-23/funding-local-government-scotland-2022-23/govscot%3Adocument/funding-local-government-scotland-2022-23.pdf>

**Child Poverty estimates are provided by the End Poverty Coalition** and are calculated by Loughborough University each year. The estimates are after housing costs - and are based on DWP/HMRC statistics "Children in low income families: local area statistics". The tables are then combined with information about housing costs at the local level to estimate poverty rates after housing costs. The statistics given for 2022 are provisional and may be revised. The previous figure for 2019/20 was given provisionally as 5155 and was revised to 6098.

<https://endchildpoverty.org.uk/child-poverty/>

The UK Government have issued guidance notes on the impact of the Covid-19 pandemic on the statistics for 2020/21 and 2021/22. <https://www.gov.uk/government/statistics/households-below-average-income-for-financial-years-ending-1995-to-2022/technical-report-an-assessment-of-the-impact-of-covid-19-pandemic-on-the-hbai-statistics-for-fye-2022>

They advise "**there remain areas where caution is advised when making comparisons with previous years and when interpreting larger changes.**"

Statistics given for working-age adults and pensioners are based on the Scottish Governments Poverty and Inequality in Scotland statistics which do not report at a local authority level. Figures have been extrapolated using the percentages given in the Poverty and Inequality in Scotland statistics, reduced by 2% to reflect the lower rates of poverty in Perth and Kinross. This figure was arrived at by taking a 4 year average of child poverty figures at a Scotland/Perth and Kinross level and applying the percentage difference to the working age adult and pensioner figures, and then rounding to the nearest 100.

<https://www.gov.scot/collections/poverty-and-income-inequality-statistics/>.

Poverty Thresholds - Households -

([www.gov.uk](http://www.gov.uk))<https://www.ons.gov.uk/peoplepopulationandcommunity/personalandhouseholdfinances/incomeandwealth/bulletins/householddisposableincomeandinequality/financialyearending2022> and [Equivalisation - Overview, How To Calculate, Equivalence Scales \(corporatefinanceinstitute.com\)](https://www.equivalencescalculator.com/)

Ward level data for children in relative poverty was generated in Stat-xplore using the DWP Children in low income families: local area statistics data which is before housing costs.

Joseph Rowntree Foundation, Deepening Poverty 2023, and email Carla Cebula 15.05.2023

## Cautionary Note

The estimates given for poverty across children, working age adults and pensioners are indicative only. To be confident that we fully understand the scope and extent of poverty in Perth and Kinross, we need to triangulate this data with other information e.g. from those directly affected and from our frontline workers, who have repeatedly told us that they feel the estimates given for their area are lower than their experience working in our communities suggests. The figures are useful in so far as they provide a means of comparison between our localities, and enable us to look at trends over time. The current look at the estimates between 2017 and 2022 suggests that poverty has remained relatively stable.

June 2023