

# Child Poverty

*Analysis of children living in poverty (Sefton data)*

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## Document Control

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## Distribution

Available to Council Services, partner organisations and the wider public.

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## Introduction

According to the article “Child poverty up 1m in working families since 2010” published in both the Guardian and Independent which suggests that due to cuts in benefits along with pay freezes, 1 million more children living in working households are living in poverty nationally.

Sefton as a whole has seen an increase in income deprivation affecting children along with child poverty before housing costs, yet those living in low income families and child poverty after housing cost has improved. However, there is contrasting information when looking at lower geographical areas across the Borough.

## Income Deprivation Affecting Children Index<sup>1</sup>

Income Deprivation Affecting Children Index (IDACI), measures by lower super output area (LSOA), the proportion of children under the age of 16 that live in low income households. It is a supplementary data set to the Indices of Multiple Deprivation (IMD).

	2010	2015	Direction
Average Score	0.193	0.211	▲
Rank (Ave Score)	119	99	▼

Sefton LSOAs	Score
▲	128
▼	57
No Data	4

Overall, the average IDACI score in Sefton showed an increase when comparing 2010 to 2015, with the Borough moving in to the top 100 affected local authorities in England. *(The ranking is based on 326 local authority/ government districts in England).*

68% or 128 of the 189 LSOAs within Sefton have seen an increase in the IDACI scores, indicating levels of childhood deprivation in these areas have risen from 2010 to 2015. These are spread across the Borough with 54 located in the North, 59 in Central Sefton and 15 in South Sefton.

## Children Living in Low Income Families<sup>1</sup>

An analysis of the UK income distribution (1994/95-2016/17) shows that in 2016/17, the average (median) real terms household income before housing costs increased slightly from 2015/16 levels by almost £10 per week to £494 per week (around £25,700 per year). Average household income after housing costs has also increased slightly from 2015/16 by almost £10 per week to £425 per week (around £22,200 per year).

The Office for National Statistics’ (ONS) UK Living Costs and Food Survey (LCF) collects information on spending patterns and the cost of living that reflect household budgets. It is conducted throughout the year, across the whole of the UK, and is the most significant survey on household spending in the UK. Based on the most recent Living Costs and Food Survey, the UK median disposable household income was £27,300 in the financial year ending (FYE) 2017, up 2.3% on the previous year (after accounting for inflation and household composition).

<sup>1</sup> Please note that due to the change in LSOA boundaries after the 2010 Census four areas could not be compared.

The Children in Low-Income Families Local Measure is the proportion of children living in families either in receipt of out-of-work benefits or in receipt of tax credits with a reported income which is less than 60 per cent of national median income.

	2011	2015	Direction
Percentage	20.2	17.0	▼
Rank	106	105	▼

17% of all children (aged under 19) residing in the Borough are believed to be living in low income families, this has reduced when comparing 2011 to 2015, however, Sefton’s rank worsened by one place compared local authorities in England. *(The ranking is based on 326 local authority/ government districts in England).*

Sefton LSOAs	Percent
▲	39
▼	146
No Data	4

Only 39 of the Boroughs LSOAs (21%) have seen increases in the percentage of low income families, with a high concentration of these being situated in the North of the Borough (24 LSOAs), and 12 being found in Sefton Central (the remaining were located in the South).

### Child Poverty

‘End Child Poverty’ is a collation of private, voluntary and faith sector organisations that exists to hold the Government, and all main political parties, to account for their commitment to eradicate child poverty by 2020.

Every day ‘End Child Poverty’ members see the real impacts that poverty has on the daily lives of children today. Children lack basic living necessities such as a warm winter coat or properly fitting shoes and are unable to take part in activities with their friends. Low income affects direct measures of children’s well-being and development, including their cognitive ability, achievement and engagement in school, anxiety levels and behaviour.

‘End Child Poverty’ believes that every child should live in a family that is able to afford the basic essentials. They have released statistics suggesting that 3.7 million children live in poverty, and that the Institute for Fiscal Studies has warned that, rather than reach the target, this number is likely to grow by 700,000 to 4.3 million by the end of the decade (2020). Their research suggests that:

- Since 2010, child poverty figures have flat-lined. The number of children in absolute poverty has increased by 0.5 million since 2010.
- Work does not provide a guaranteed route out of poverty in the UK. Two-thirds (64 per cent) of children growing up in poverty live in a family where at least one member works.
- Children in large families are at a far greater risk of living in poverty; 35% of children in poverty live in families with three or more children.
- Families experience poverty for many reasons, but its fundamental cause is not having enough money to cope with the circumstances in which they are living. A family might move into poverty because of a rise in living costs, a drop in earnings through job loss or benefit.

- Child poverty blights childhoods. Growing up in poverty means being cold, going hungry, and not being able to join in activities with friends. For example, 60 per cent of families in the bottom income quintile would like, but cannot afford, to take their children on holiday for one week a year.
- Child poverty has long-lasting effects. By GCSE, there is a 28 per cent gap between children receiving free school meals and their wealthier peers in terms of the number achieving at least 5 A\*-C GCSE grades.
- Poverty is also related to more complicated health histories over the course of a lifetime, again influencing earnings as well as the overall quality – and indeed length – of life. Men in the most deprived areas of England have a life expectancy 9.2 years shorter than men in the least deprived areas. They also spend 14% less of their life in good health. Women share similar statistics.
- Child poverty imposes costs on broader society – estimated to be at least £29 billion a year.
- Childcare and housing are two of the costs that take the biggest toll on families' budgets; when accounting for childcare costs extra 130,000 children are pushed into poverty.

Sefton's 2016 mid-year population was estimated to be 274,261 and made up just 0.5% of the overall population across England. The proportion of children in the Borough is approximately 19%, with 53,359 children aged 17 and under.

'End Child Poverty' has created estimates of the number of children living in poverty, including before and after housing costs have been taken out of the household income. These are provided by parliamentary constituencies, and Council wards. Their analysis suggest that the percentage of children living in poverty, (using data gathered between July-Sept 2017) is as high as 31.3% in parts of the borough after housing costs have been taken from the household income. The Tables below provides a summary of the findings:

<b>Number and % of Children in Poverty (before housing costs)</b>				
	<b>Number of Children in poverty</b>		<b>% of children in poverty</b>	
	<b>Nov 2016</b>	<b>Jan 2018</b>	<b>Nov 2016</b>	<b>Jan 2018</b>
Southport	-	2630	15.39%	15.8%
Sefton Central	-	1442	8.9%	9.73%
Bootle	-	4493	19.85%	19.96%
<i>(Overall Average)</i>	-	8574	15.48%	15.66%
<b>Number and % of Children in Poverty (after housing costs)</b>				
	<b>Number of Children in poverty</b>		<b>% of children in poverty</b>	
	<b>Nov 2016</b>	<b>Jan 2018</b>	<b>Nov 2016</b>	<b>Jan 2018</b>
Southport	-	4166	24.5%	23.9%
Sefton Central	-	2340	14.5%	15.8%
Bootle	-	7047	32.1%	31.3%
<i>(Overall Average)</i>	-	13,603	25.04%	24.84%

The following table shows the estimated child poverty per ward, including the change from 2016 and 2018 statistics:

Child Poverty		Before Housing Cost			After Housing Cost		
Ward	Locality	2016	2018	Change	2016	2018	Change
Ainsdale	North	16.20%	16.61%	▲	25.67%	26.16%	▲
Birkdale	Central	13.51%	11.95%	▼	21.53%	19.19%	▼
Blundellsands	Central	6.01%	8.32%	▲	9.94%	13.59%	▲
Cambridge	North	16.38%	16.62%	▲	25.89%	26.11%	▲
Church	South	16.34%	15.96%	▼	26.26%	25.28%	▼
Derby	South	22.27%	21.84%	▼	36.38%	34.25%	▼
Duke's	Central	19.84%	17.66%	▼	30.78%	27.65%	▼
Ford	Central	20.74%	19.99%	▼	33.30%	31.34%	▼
Harington	North	4.83%	5.81%	▲	7.94%	9.64%	▲
Kew	North	18.19%	14.97%	▼	28.57%	23.76%	▼
Linacre	South	27.33%	29.62%	▲	44.04%	45.06%	▲
Litherland	South	21.34%	22.25%	▲	34.30%	34.54%	▲
Manor	Central	13.29%	13.31%	▲	21.65%	21.31%	▼
Meols	North	10.86%	12.06%	▲	17.60%	19.34%	▲
Molyneux	Central	9.64%	11.79%	▲	15.79%	18.97%	▲
Netherton and Orrell	Central	18.81%	19.77%	▲	30.50%	30.95%	▲
Norwood	North	15.13%	16.75%	▲	24.35%	26.34%	▲
Park	Central	8.23%	7.32%	▼	13.42%	12.02%	▼
Ravenmeols	North	10.92%	11.18%	▲	17.53%	18.02%	▲
St Oswald	Central	20.58%	20.10%	▼	33.22%	31.53%	▼
Sudell	Central	6.65%	9.67%	▲	10.99%	15.70%	▲
Victoria	Central	9.14%	8.26%	▼	14.99%	13.48%	▼

Before Housing Cost	2016	2018	Direction
Percentage	15.48	15.66	▲
Rank	133	130	▲

Sefton Wards	Percent
▲	13
▼	9

In summary it is estimated that in 2018 (using July to Sep 2017 data) 15.7% of children are living in poverty in Sefton, before housing costs have been taken out of the household income. This equates to approximately 8,377 children and represents a slight rise when compared to the 2016 estimate (Oct to Dec 2015).

Though there has been an increase in the estimated percentage, Sefton's ranking compared to other local authorities in England has shown slight improvement. (*The ranking is based on 326 local authority/government districts in England*). However, 13 of the 22 wards in Sefton have shown an increase in the percentage of children estimated to be living in poverty (before housing costs) when comparing 2016 estimates to those of 2018. Six wards located in the North, five in Central Sefton and two in South Sefton.

After Housing Cost	2016	2018	Direction
Percentage	25.04	24.84	▼
Rank	135	135	▶

Sefton Wards	Percent
▲	12
▼	10

It is estimated that the percentage of children living in poverty in Sefton, after housing costs have been taken out of the household income, had reduced slightly to 24.84% when compared to the 2016 estimate of 25.04%. This equates to approximately 13,254 children, showing a minor improvement on 2016 estimates, but with no change to the national ranking.

When looking at the Sefton wards however, it is clear that not all areas within the Borough are improving. Over half of the wards (12) have shown an increase in the estimated levels of poverty. Six of the wards were located in North Sefton, for in the Centre and two in the South.

## Conclusion

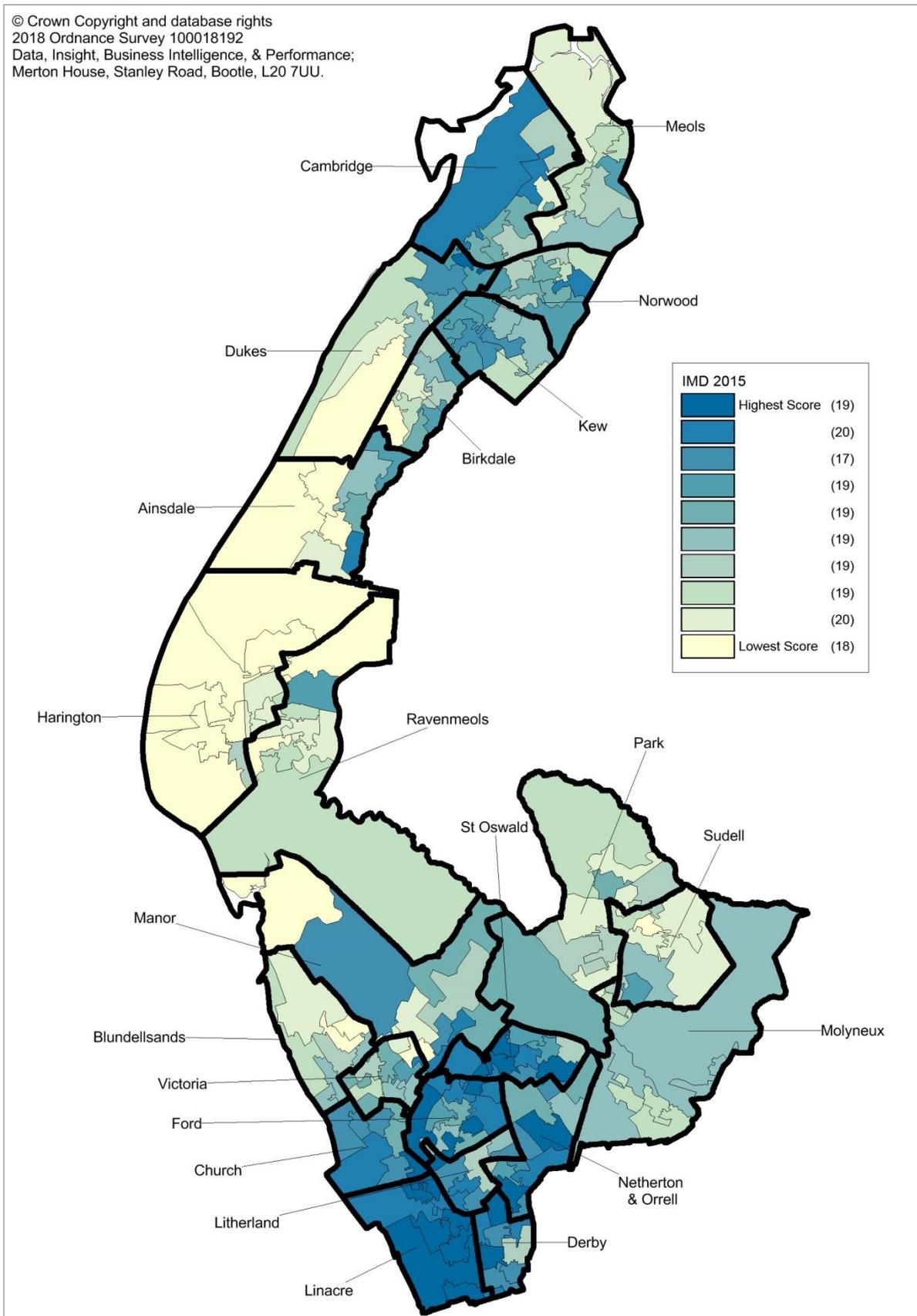
Three data sets have been considered to measure the impact of deprivation affecting children living in Sefton:

- 1) The Income Deprivation Affecting Children Index (IDACI), measures the proportion of children under the age of 16 that live in low income households. Overall, the average IDACI score in Sefton has increased from 2010 to 2015, with the Borough moving in to the top 100 affected local authorities in England. This indicates that levels of childhood deprivation in 68% or 128 of the 189 LSOAs in the borough have risen from 2010 to 2015. These are spread across the Borough with 54 located in the North, 59 in Central Sefton and 15 in South Sefton. Sefton remains in the second quartile of 326 local authority/ government districts in England IDACI ranking (99).
- 2) An analysis of the UK income distribution (1994/95-2016/17) prepared by the Office for National Statistics (ONS) shows that in 2016/17, the average (median) real terms household income before housing costs is £494 per week (around £25,700 per year) and that the average household income after housing costs is £425 per week (around £22,200 per year). The 'Children in Low-Income Families Local Measure' is the proportion of children living in families either in receipt of out-of-work benefits or in receipt of tax credits, with a reported income which is less than 60 per cent of national median income. 17% of all children (aged under 19) residing in the Borough are believed to be living in low income families. Sefton remains in the second quartile of 326 local authority/ government districts in England 'Children in Low-Income Families Local Measure' ranking (105).
- 3) Estimates released by the 'End Child Poverty' coalition in 2018 suggest that 15.7% of children residing in the Borough are living in poverty (before housing costs have been taken out of the household income). This equates to approximately 8,377 children. It is estimated that the percentage of children living in poverty in Sefton, after housing costs have been taken out of the household income, is 24.84%, which equates to approximately 13,254 children. According to this study 13 of the 22 wards in Sefton have shown an increase in the percentage of children estimated to be living in poverty (before housing costs) when comparing 2016 estimates to those of 2018. Sefton is placed in the second quartile of 326 local authority/ government districts in England 'End Child Poverty' collation ranking (130).

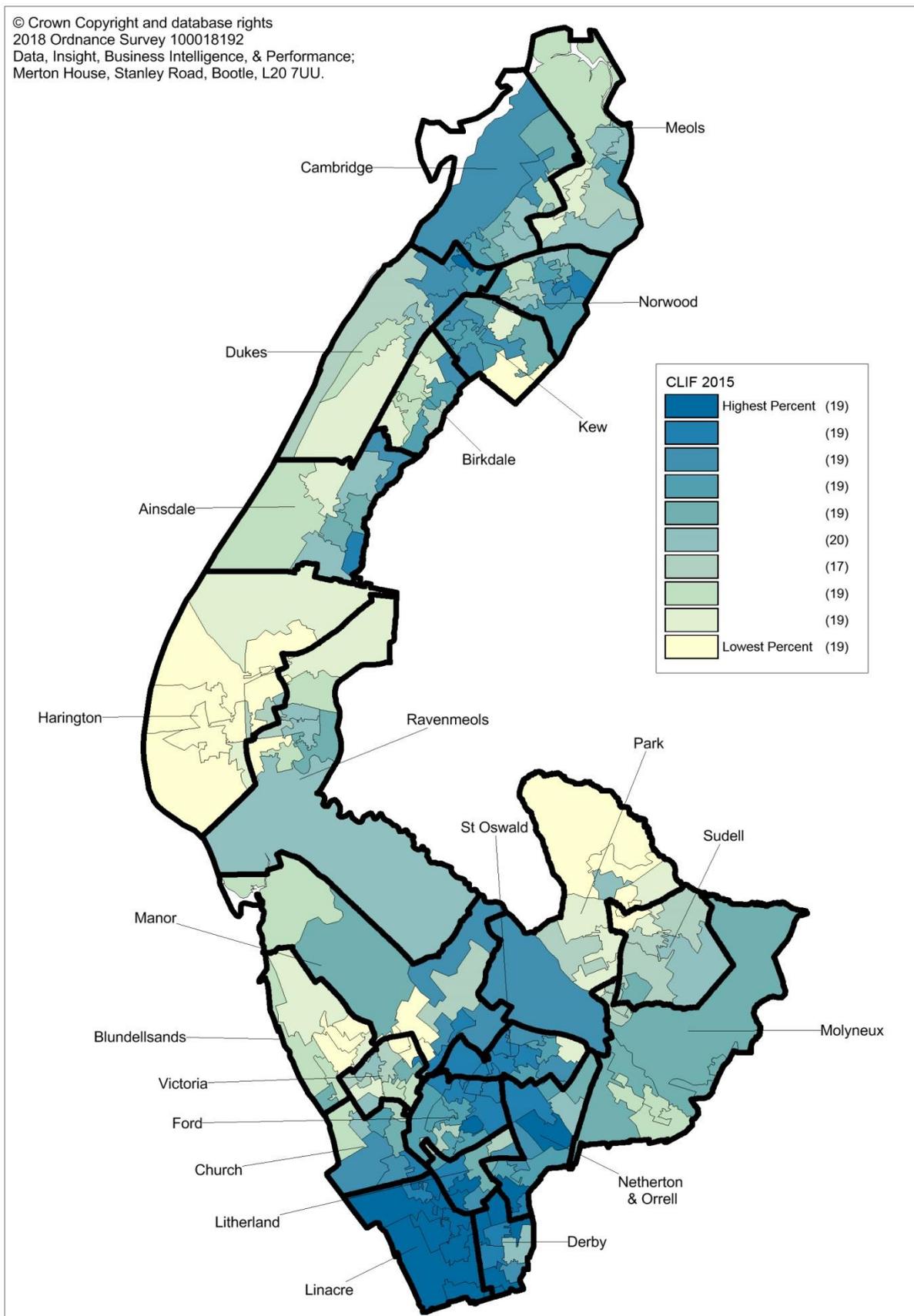
When comparing the three data sets it is evident that the percentage of children estimated to be living in poverty in Sefton is widespread and more so in a particular areas of the borough, which is illustrated on the mapped data in Appendix.1.

### Appendix .1 Mapping

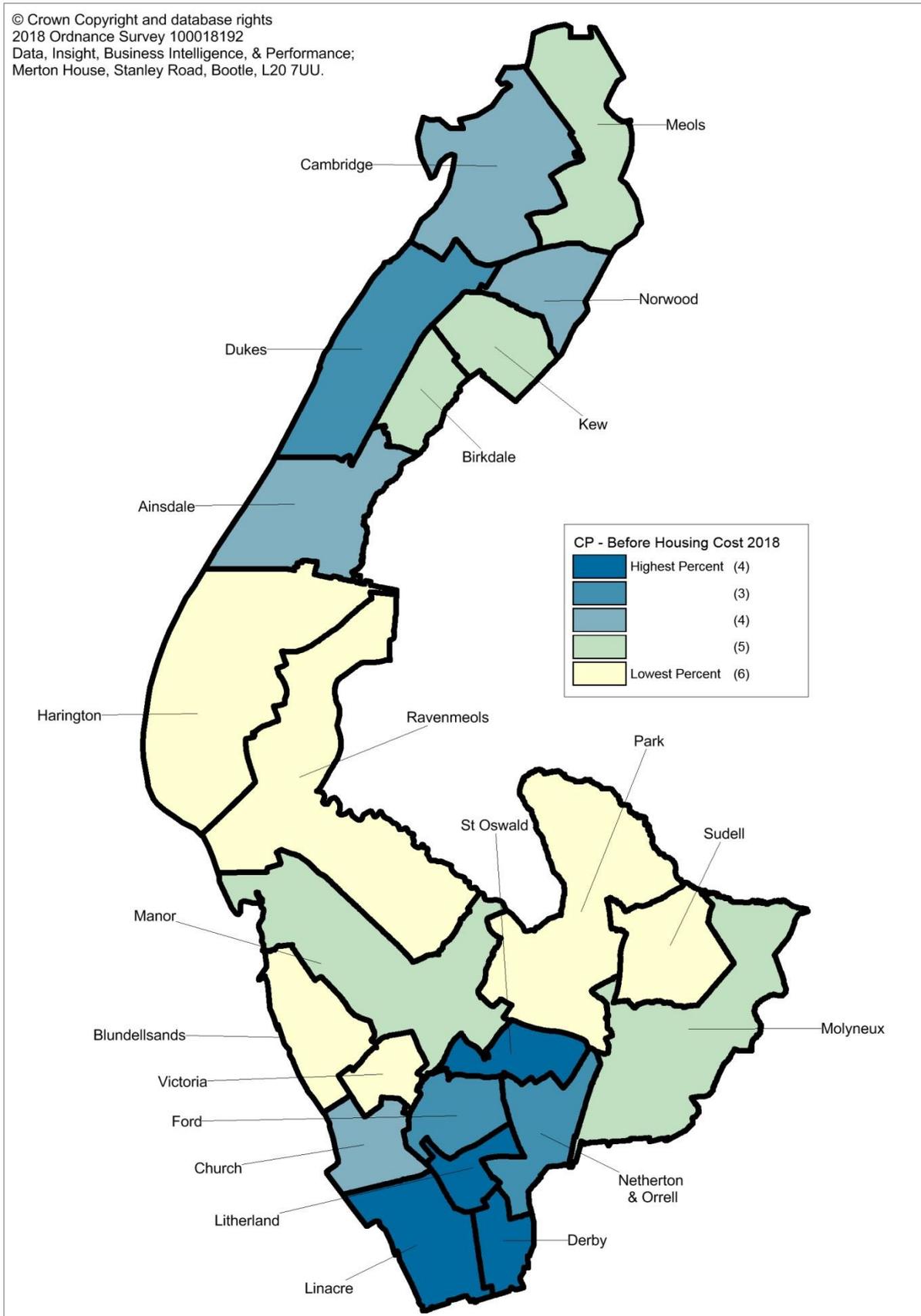
Income Deprivation Affecting Children Index (2015). Data presented by LSOA and Ward; measured by LSOA.



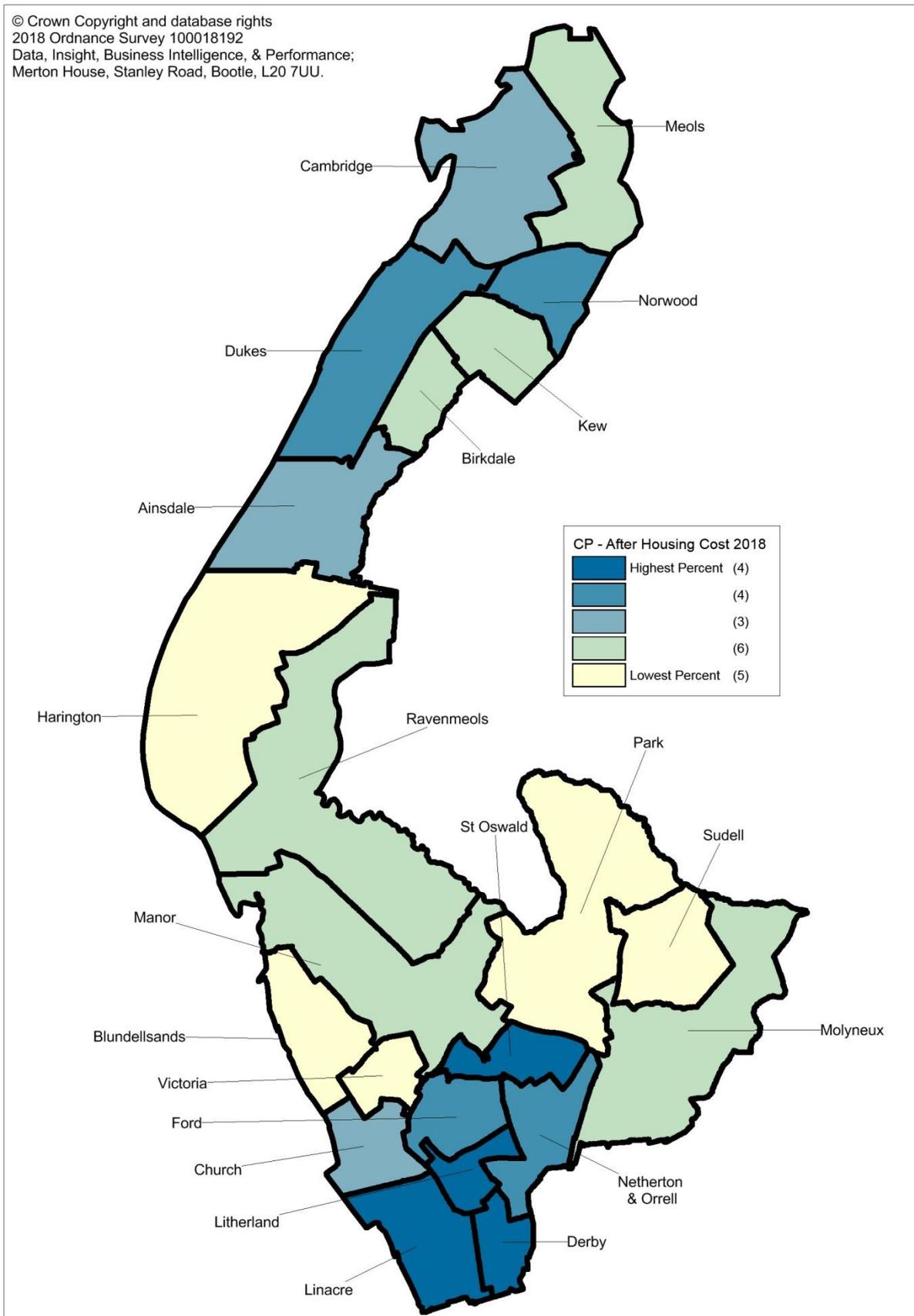
Children Living In Low Income Families Statistics (2015). Data presented by LSOA and Ward; measured by LSOA.



Child Poverty before Housing Cost. Data aggregated to Ward level. 'End Child Poverty' collation data (2018); measured by Ward.



Child Poverty after Housing Costs. Data aggregated to Ward level. 'End Child Poverty' collation data (2018); measured by Ward.



## Sources of Data

Income Deprivation Affecting Children Index (IDACI) - [www.gov.uk](http://www.gov.uk) - File 3: supplementary indices - income deprivation affecting children index and income deprivation affecting older people index – 2010 and 2015

Children in Low-Income Families – [www.gov.uk](http://www.gov.uk) - Personal tax credits: Children in low-income families local measure – 2011 (snap shot as at 31<sup>st</sup> August 2011) and 2015 (snap shot as at 31<sup>st</sup> August 2015)

Child Poverty - [www.endchildpoverty.org.uk](http://www.endchildpoverty.org.uk) - Percentage of children in poverty - 2016 (Oct-Dec 2015) and 2018 (Jul-Sep 2017)