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A Study of the Key Sources of Poverty Data in Northern Ireland

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NICS
ECONOMIST PROFESSION

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1. Introduction



1. Introduction

1.1 Background

In line with New Decade New Approach, the Department for Communities (DfC) is developing an Anti-Poverty Strategy that aims to address inequalities and obstacles that directly affect the everyday lives of the most vulnerable people in society and will bring focus to identifying and addressing the issues, barriers and disadvantages that undermine equality of opportunity. DfC acknowledged that it was timely for a review of existing poverty literature in Northern Ireland (NI), and its neighbouring areas. In December 2021, DfC published a report on 'A Scoping Review of the Literature on Poverty in Northern Ireland'.

The report highlighted that there was limited poverty literature pertaining to NI, therefore the scope of the review was widened to incorporate evidence from the UK and Republic of Ireland (RoI). It is also noted that most literatures integrate NI into the UK as a whole or just focus on Great Britain (GB), often resulting in evidence being heavily influenced by findings from the rest of the UK rather than NI. Furthermore, literatures exclusive to NI appeared to be lacking in volume and richness in comparison to the rest of the UK and RoI.

The gaps in evidence identified through the review of literature on poverty in NI, informed further potential research. In particular, the report recommended:

A study of the key sources of poverty data currently available in Northern Ireland. This would consider, with reference to best practice, options to maximise the insight that can be drawn from the available data. The research would also benchmark NI data sources to other UK countries and the Republic of Ireland, identify key limitations on the analysis which can be undertaken, and consider how these might be addressed.

DfC committed to embark on this study alongside another recommendation to carry out an examination of how the rates and distribution of poverty in Northern Ireland compare to the other UK countries and the Republic of Ireland, and how this has changed over time. This is addressed in a separate publication, 'An Examination of the Rates and Distribution of Poverty in Northern Ireland'.

1.2 Aims of the Study

This study will focus on the key sources of poverty data currently available in Northern Ireland and consider, with reference to best practice, options to maximise the insight that can be drawn from the available data. The research will also benchmark NI data sources to other UK countries and the RoI, identify key limitations on the analysis which can be undertaken, and where possible, consider how these might be addressed.

This study will assist in understanding why there are fewer poverty literatures pertaining solely to NI by exploring if there are less sources of poverty data available for NI, or if there are issues with the extent to which NI data can be analysed, in comparison to the UK and RoI.

In May 2021, the Office for Statistics Regulation published its review of income-based poverty statistics to enhance understanding and decision making in this area. One of their findings suggested that a guide to sources which outlines the various income-based statistics on poverty and the different purposes they serve, would be helpful. This study may go some way in addressing this need for users who are interested in NI poverty data and serve as a signpost to navigate them in the current landscape of poverty statistics. It may also be particularly useful for comparing different data sources and identifying the most appropriate data source for specific user needs.

1.3 Methodology

An extensive online scoping exercise was carried out to identify relevant sources of poverty data in Northern Ireland. In order to benchmark NI data sources to other UK countries and the Republic of Ireland, the research was extended to also consider sources available in these areas.

Eighteen data sources pertaining to poverty or household income were identified, although additional sources are also referred to in the report as being related. Relevant technical and methodology reports were read to provide information on each source such as its main uses and strengths.

There are a wide range of producers who make important contributions to the landscape of poverty statistics. However, this report only considers some of the main sources and is not intended to be an exhaustive list. It should be considered alongside any other relevant guides such as ONS's 'A guide to sources of data on income and earnings'.

A small steering group was convened within DfC to oversee the study, consisting of poverty policy officials, NISRA statisticians and economists.

1.4 Format of Report

This report outlines some of the key sources of poverty data available in Northern Ireland but also considers those in the UK and the RoI. It brings together information on data sources from a number of official statistical producers including government departments, Office for National Statistics, Department for Work and Pensions and HM Revenue and Customs; as well as prominent non-official producers such as Social Metrics Commission, Joseph Rowntree Foundation and University of Essex.

The study identifies three categories of poverty data sources, namely:

- Surveys and Primary Analysis - these are principal sources of poverty data based on a range of surveys.
- Secondary Analysis - those using data from one or more surveys to produce subsequent datasets or analysis.
- Administrative - those solely using administrative data sources or a combination of survey and administrative data through data linkage.

The report provides useful information for each data source, including:

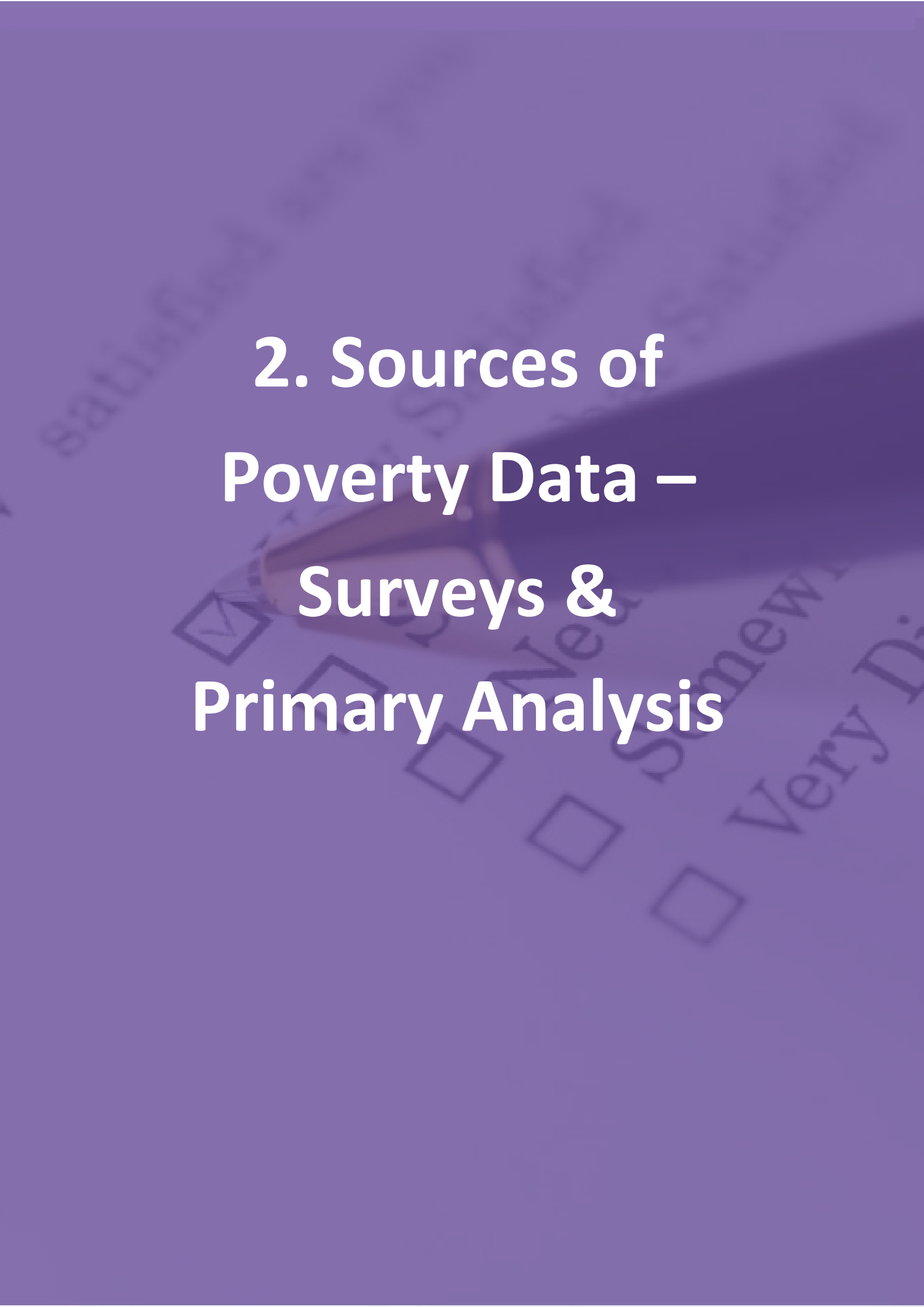
- Overview
- Coverage
- Dataset access
- Topics covered
- Main uses and poverty analysis
- Strengths
- Limitations
- Relevant data sources and publications

Finally, the study also considers recent reviews conducted in the field of poverty statistics and highlights relevant recommendations which have the potential to impact on various aspects of the key sources of poverty data. Such reviews include:

- The Office for Statistics Regulation's Review of income-based poverty statistics
- Government Statistical Service's Income and Earnings Coherence Work Plan
- Expert Panel Recommendations for an Anti-Poverty Strategy in Northern Ireland

Disclaimer

The research referred to in this document present the views and information/statistics provided by various researchers and organisations, and does not necessarily represent the views or policy of the Department for Communities.

The background features a hand holding a pen, poised to write on a survey form. The form includes a list of checkboxes, with the first one checked. The text on the form is partially visible, showing words like 'Satisfied', 'Neutral', 'Somewhat', and 'Very D...'. The entire scene is overlaid with a semi-transparent purple filter.

2. Sources of Poverty Data – Surveys & Primary Analysis

2.1 Family Resources Survey

Data type: Cross-sectional household survey

Producer: Department for Work and Pensions and Department for Communities

Frequency: Continuous survey with data published annually

Coverage: UK

Sample size: In 2019/20, the achieved sample size was 19,244 UK households, including 2,078 in NI.

Overview

The Family Resources Survey (FRS) is a continuous survey which collects information on the income and circumstances of individuals living in a representative sample of private households in the United Kingdom.

Coverage

The FRS was launched in Great Britain in 1992 for the Department for Work and Pensions (DWP). In 2002, the survey was extended to Northern Ireland on behalf of the Department for Communities (DfC).

Dataset Access

Access to anonymised FRS datasets is available for registered users at UK Data Service.

Topics

Detailed information is collected on:

- Income from all sources including benefits, tax credits and pensions
- Housing tenure
- Caring needs and responsibilities
- Disability
- Expenditure on housing
- Employment
- Education
- Childcare
- Family circumstances
- Child maintenance
- Pension participation
- Savings and investments
- Adult and child social deprivation
- Household food security

Main Uses & Poverty Analysis

The primary purpose of the FRS is to provide the Department for Work and Pensions, and more specifically the Department for Communities in NI, with data to inform the development, monitoring and evaluation of social welfare policy.

The FRS is the main official source of statistics on household income and poverty. It is the primary data source for households below average income and the pensioners' incomes series. In Northern Ireland, it is also used for a shorter NI Poverty Bulletin.

It is also a main source of the DWP's estimates of take-up of income-related benefits and the Policy Simulation Model, which is used extensively by DWP and DfC analysts for policy evaluation and costing of policy options.

The survey is used by many government departments and for tax and benefit policy modelling by HM Treasury and HM Revenue and Customs. The FRS is also used extensively by academics and research institutes for social and economic research.

Strengths

The FRS is the only major piece of national research that provides consistent, reliable information on the living standards of people across the UK.

Its focus is capturing information on incomes, and as such captures more detail on different income sources compared with most other household surveys.

It is considered to be the best source for looking at cash benefit and tax credit receipt by characteristics not captured on administrative sources, and for looking at total benefit receipt on a benefit unit or household basis.

It collects a lot of contextual information on the household and individual circumstances, such as employment, education level and impairment. The FRS is therefore a comprehensive data source allowing for a wide variety of detailed sub-category analysis.

The FRS began in 1992 and the long series of consistent data allows for comparisons over time.

The FRS data can be linked across a range of administrative datasets available to DWP and DfC. The FRS makes an up-front statement to respondents that DWP will link respondent information to administrative records held by DWP. Eighty-nine percent of all United Kingdom FRS respondents have been matched to their administrative records, which enables a check on the accuracy of monetary amounts reported during the interview.

Limitations

In common with all income surveys, the FRS is subject to the following weaknesses:

- Measurement error – in particular, the FRS is known to under-report benefit receipt when compared with administrative data. It also consistently under-reports income at both the top and bottom of the income distribution.
- Sampling error - this varies to a greater or lesser extent depending on the level of disaggregation at which results are presented.
- Non-response error – the FRS response rate in recent years has tended to be between 50% and 55%; to correct for differential response rates, estimates are weighted using population totals.

- Survey coverage – the FRS covers private households in the UK and so individuals in residential institutions will not be included.
- Survey design – the FRS uses a stratified clustered sample in GB and a stratified sample in NI, designed to produce robust estimates at region level.
- Sample size – although the FRS has a relatively large sample size for a household survey, small sample sizes may require several years of data to be combined; estimates by country/region and ethnic group are published using three-year averages.
- The number of interviews in Northern Ireland for households with an ethnic minority head is likely to be far too small for detailed breakdowns of income and the components of income to be feasible.

Furthermore, there is typically a 15 month lag from reference period to publication of UK data. This is slightly longer for NI publications, at approximately 20 months.

Relevant Data Sources & Publications

The FRS data is used in a number of publications including:

- UK Family Resources Survey report produced annually by DWP
- NI Family Resources Survey report produced annually by DFC
- UK Pensioners' Incomes Series produced annually by DWP

FRS is also used for international comparisons within the Organisation for Economic Co-operation and Development (OECD) countries. To benchmark and monitor income inequality and poverty across countries, the OECD relies on a dedicated statistical database, the OECD Income Distribution Database. Due to the increasing importance of income inequality and poverty issues in policy discussion, the database is updated annually.

The Income Distribution Database contains comparable data on the distribution of household income, providing both a point of reference for judging the performance of any country and an opportunity to assess the role of common drivers as well as drivers that are country-specific. They also allow governments to draw on the experience of different countries in order to learn "what works best" in narrowing income disparities and poverty. However, achieving comparability in this field is also difficult, as national practices differ widely in terms of concepts, measures, and statistical sources.

In the UK, the data source for the Income Distribution Database has been the FRS from 2000/01 onwards and previously the Family Expenditure Survey from 1975. Whilst in the ROI the data has been sourced from the EU Survey of Income and Living Conditions since 2004 and prior to this the Living in Ireland Survey was used from 1987.

Related data sources on income include:

- The Effects of Taxes and Benefits on Households
- Living Costs and Food Survey

- Wealth and Assets Survey
- Annual Survey of Hours and Earnings
- Labour Force Survey
- Households Below Average Income
- Income Dynamics: Income Movements and Persistence of Low Incomes

2.2 Households Below Average Income

Data source: Family Resources Survey

Producer: Department for Work and Pensions and Department for Communities

Frequency: Annual

Coverage: UK

Sample size: In 2019/20, the achieved sample size was 19,244 UK households, including 2,078 in NI.

Overview

The Households Below Average Income dataset (HBAI) is derived from the Family Resources Survey and is the foremost source of UK and Northern Ireland data on household income and poverty estimates.

Whilst FRS remains the origin, HBAI is widely considered as a data source in its own right. It incorporates widely used, international standard measures of low income and inequality. The data are also equivalised, which considers the size and composition of households to make the income figures comparable.

Coverage

The Department for Work and Pensions create the HBAI datasets for all of the UK using the FRS. Analysis is therefore possible at country level. Including Northern Ireland.

Annual data is available for GB from 1994/95 onwards and for Northern Ireland from 2002/03.

Dataset Access

HBAI microdata can be accessed under a standard End User Licence on the UK Data Service.

UK and country/regional level HBAI data is also available on the Stat-Xplore online tool to create HBAI analysis.

Topics

HBAI covers:

- Relative low income
- Absolute low income
- Income inequality, including gini coefficient and 90/10 ratio
- Household income distributions and averages before and after housing costs
- Income components including income from wages, self-employment and benefits
- Combined low income and material deprivation
- Household food security

These can be analysed on a before and after housing costs basis, at different poverty thresholds (50%, 60% and 70% of median income) and by a range of characteristics including:

- Economic status
- Family type
- Gender
- Age
- Religion
- Disability and receipt of disability benefits
- Tenure
- Savings and investments
- Local Government District

Main Uses & Poverty Analysis

HBAI is the key dataset for the analysis of household income, income poverty and inequality; and is treated as such by both researchers and the government. Its importance comes from the fact that the household disposable income data is adjusted for household size and composition, via equivalisation, to ensure that it is properly comparable between households.

HBAI information is available at an individual level, a family level (benefit unit level) and a household level. Furthermore, annual estimates for the number and percentage of people living in low income households are provided against several important client groups including children, working-age adults, pensioners, and individuals living in a family where someone is disabled.

The key uses of the published statistics and datasets are:

- To provide detail on the overall household income distribution and low income indicators for different groups in the population.
- For international comparisons, both within the EU and for OECD countries.
- For parliamentary, academic, voluntary sector and lobby group analysis. Examples include using the HBAI data to examine income inequality, the distributional impacts of fiscal policies and understanding the income profile of vulnerable groups.

The main widely used international standard measures derived from the HBAI dataset are:

- Equivalised disposable household income estimated on both a before and after housing costs basis
- Relative low income estimated on both a before and after housing costs basis
- Absolute low income estimated on both a before and after housing costs basis
- Combined low income and material deprivation

Despite its name, HBAI is actually a dataset which covers all levels of income, not just low income. As such, its uses are much wider than income poverty and cover the whole of the income distribution. It is a proxy for the level of consumption of goods and services that people could attain given the disposable income of the household in which they live.

Strengths

The HBAI is one of the best sources for understanding changes to the distribution of income over time and the risk of poverty for various groups in society. At UK and Northern Irish level, HBAI income and poverty figures are considered to be among the most robust available from any source.

As well as extensive income data, HBAI also contain data about individuals' pay rates, working hours, tax credits, housing costs etc., thus allowing complex analyses.

HBAI uses variants of CPI inflation when estimating how incomes are changing in real terms over time.

HBAI has been extended to include data on household food security for individuals living in low income households.

It provides a long time series of consistent data that allows for comparisons over time.

Limitations

As HBAI is sourced from the FRS, many of the caveats that apply for the FRS also apply for HBAI. For example, the levels of receipt of a number of benefits are under-reported on the FRS, and this will feed into the HBAI dataset.

Poverty estimates by country and region are subject to greater sampling variability than estimates for the UK as a whole, since the number of households surveyed is smaller. Therefore, DWP present these regional estimates as three year averages, however DfC also produce single year estimates for NI.

There is particular interest in how poverty and ethnicity interact, however ethnicity analysis is limited due to sample sizes.

Furthermore, there is typically a 15 month lag from reference period to publication of UK data. This is slightly longer for NI publications, at approximately 18 months.

HBAI is a difficult dataset to use and some users have found that the lack of documentation adds further challenge, however its central importance means that any serious researcher in the field of poverty has to get to grips with it.

Relevant Data Sources & Publications

The HBAI data is used in a number of publications including:

- UK Households Below Average Income report produced annually by DWP
- NI Households Below Average Income report produced annually by DfC
- NI Poverty Bulletin produced annually by DfC

- Poverty and Income Inequality in Scotland report produced annually by the Scottish Government
- Relative Income Poverty report produced annually by the Welsh Government
- Material Deprivation and Low Income report produced annually by the Welsh Government

HBAI is used for international comparisons within the Organisation for Economic Co-operation and Development (OECD) countries and also within the EU through EU Statistics on Income and Living Conditions (SILC).

A closely related source of key information on income is the Office for National Statistics' analyses on Average Household Income and on the Effects of Taxes and Benefits on Household Income.

2.3 Poverty and Social Exclusion Living Standards Survey, 2012

Data type: Cross-sectional household survey

Producer: University of Bristol (lead), Heriot-Watt University, The Open University, Queen's University Belfast, University of Glasgow and the University of York.

Frequency: Ad hoc, last run in 2012.

Coverage: UK

Sample size: It comprises of a sample of respondents who had previously taken part in the Family Resources Survey (FRS) 2010/11 and given permission to be re-contacted. The achieved sample size was 5,193 households (4,205 in Britain and 988 in Northern Ireland) in which 12,097 people were living (9,786 in Britain and 2,311 in Northern Ireland).

Overview

The Poverty and Social Exclusion Living Standards Survey (PSE) funded by the Economic and Social Research Council is the largest study ever commissioned in the UK to investigate the extent of and connections between poverty and social exclusion. The survey provided crucial information about the living standards experienced by UK households, with particular interest in issues of income inequality, poverty and social exclusion. Survey fieldwork was conducted separately in Great Britain and Northern Ireland.

The PSE UK Living Standards survey 2012 follows on from earlier surveys into attitudes to necessities and levels of deprivation in Britain, namely PSE Britain 1999, Breadline Britain 1990 and Breadline Britain 1983.

The PSE measure of poverty uses a combined low income and deprivation measure, with those in poverty being those who are both deprived and on a low income. In terms of deprivation, minimum standards were established through a Necessities of Life Survey which was also carried out in 2012, identifying what the population as a whole think are 'necessities'. Those who fell below these minimum standards were then identified through the PSE Living Standards Survey.

Coverage

At that time, the PSE UK Living Standards Survey was the largest survey into poverty and deprivation in the UK ever undertaken and covered 5,193 households (4,205 in Britain and 988 in Northern Ireland) in which 12,097 people were living (9,786 in Britain and 2,311 in Northern Ireland). This enables details analysis of the various groups within the population as a whole.

The survey re-interviewed respondents to the 2010/11 Family Resources Survey who said they could be contacted again.

Dataset Access

The dataset is available on the UK Data Service.

Topics

Topics included:

- Fuel poverty
- Area Deprivation
- Local Services
- Finance and debts
- Gifts
- Education and parenting
- Employment and working conditions
- Health and disability
- Health affects poverty
- Social networks and support
- Necessities
- Poverty over time
- Subjective poverty
- Life satisfaction
- Social and political engagement

Main Uses & Poverty Analysis

The 2012 survey, in conjunction with the previous survey conducted in 2002/03, allows comparisons across two decades in Northern Ireland, as well as comparisons with the rest of the UK. In addition to being part of the UK research, the specific aims of the Northern Ireland research were to investigate:

- the extent to which poverty and social exclusion vary across the nine dimensions of equality specified in Section 75 of the Northern Ireland Act 1998;
- to compare poverty levels between Northern Ireland and the Republic of Ireland; and
- to assess the impact of the legacies of the conflict on poverty and social exclusion.

Strengths

The PSE UK survey added to data from the FRS, in particular through a wider range of measures of poverty and deprivation. In addition to permission for re-contact, FRS respondents in Britain were also asked for consent for various administrative data to be linked to their survey responses. However, permission for linkage was not sought in Northern Ireland at that time.

The 2012 survey interviewed all adults in a household, as opposed to just the head of the household, allowing, for the first time, for differences in levels of deprivation within households, as well as between households, to be measured. This enabled a more accurate measure of overall poverty.

Limitations

Permission for administrative data linkage was not sought in Northern Ireland.

Data is now quite outdated and there are currently no plans to re-run the survey.

Relevant Data Sources & Publications

The 2012 PSE UK 'Attitudes to Necessities of Life and Services' survey is based on a sample of 1,447 adults aged 16 or over in the Britain and 1,015 in Northern Ireland. The PSE attitudes to necessities survey looks at what the public think makes an unacceptably low standard of living in the UK today.

Drawing on the results of the 2012 surveys on living standards and attitudes to necessities and services, a series of key finding publications provide details of the extent and depth of poverty and social exclusion. By comparing the 2012 results with those found in the previous surveys, key trends were identified. Such publications include 'Northern Ireland: faring badly' and 'Producing the PSE poverty line' in which the PSE poverty threshold is a measure that combines multiple deprivation and low income. This combined deprivation/low income approach was first developed for the 1999 Poverty and Social Exclusion survey and separates out four groups: those 'in poverty', those 'rising out of poverty', those 'vulnerable to poverty' and the 'not poor'. For the PSE UK 2012 survey, this was taken forward with additional analyses.

The report 'Destitution in the UK' used data from the national PSE survey to define and validate the best measures for severe poverty, which typically combine very low income with lack of material essentials and subjective experience of poverty or financial difficulties.

The JRF Minimum Income Standard approach is related to the PSE UK. It also uses both expert and general public consultation to determine a consensus on what goods are needed by different types of household.

2.4 Survey on Living Conditions

Data type: Longitudinal household survey

Producer: Office for National Statistics

Frequency: Annual

Coverage: UK

Sample size: Approximately 12,000 addresses are interviewed per year in the UK across six waves of the survey, including just over 300 in Northern Ireland.

Overview

The Survey on Living Conditions (SLC) was originally conducted by the Office for National Statistics (ONS) in Great Britain and the Northern Ireland Statistics and Research Agency in Northern Ireland, to meet a European Union requirement for longitudinal statistics on Income and Living Conditions (EU-SILC) from 2012. Prior to 2012, the General Lifestyle Survey was used to collect both the cross-sectional and longitudinal components.

Following the UK's exit from the EU in 2020, there is no longer a requirement for this. However, the UK Government use the results to monitor and inform policies aimed at combating poverty and social exclusion. Therefore, the survey has been retained, although some elements have been removed.

Coverage

In this longitudinal survey, respondents are followed across six years (or 'waves') and are interviewed once in each wave. Each year approximately 12,000 addresses in the UK are interviewed across the six waves of the survey, including just over 300 addresses in NI.

Dataset Access

The datasets are available on the Eurostat website. However, from 2022 onwards, the SLC dataset is available on the UK Data Archive as part of the Household Finances Survey.

Topics

The SLC collects information on:

- Household resources
- Housing
- Employment
- Income
- Education
- Pensions
- Health and well-being

The Survey on Living Conditions also includes ad hoc modules on important topics of policy interest, allowing more detailed analysis in these areas and their interaction with income. Recent topics include access to foodbanks, fuel poverty, home schooling and internet access.

The survey also includes subjective questions on poverty, which go beyond standard measures of income poverty.

Some elements relating to living conditions were removed during refinement of the survey.

Main Uses & Poverty Analysis

The study provides information about the resources of households in the UK today. The SLC is used as a key source for measuring poverty and social exclusion in the UK. It helps the government understand how different sections of society are managing, so that it can plan for the future, assess the effects of policy changes and measure the state of the economy.

The longitudinal aspect of the survey allows the measurement of persistent poverty. ONS define persistent poverty as being in relative income poverty in the current year and at least two of the three preceding years. The data was used to produce the 'Persistent Poverty in the UK and EU' annual report, with the series covering data from 2008 to 2019. However, the publication ceased with UK's exit from the EU.

In addition, the inclusion of ad hoc topical questions allow for analysis on how these link to income and/or poverty such as internet access.

Researchers have used SLC to research topics including:

- The relationship between single year at-risk-of-poverty rates and persistent risk-of-poverty
- The evolution over time of poverty entry and exit rates
- The relationship between entering the labour market and moving out of poverty
- Which individuals are most at risk of persistent poverty
- Dynamics of material deprivation
- Disability and low income persistence

Strengths

The key strength of the SLC, which sets it apart from other income-based surveys, is that it is longitudinal and allows changes in income and poverty status of respondents to be monitored across a six year cycle.

Limitations

The questionnaire has been reduced significantly, firstly in response to the survey no longer needing to meet a European Union requirement for longitudinal statistics on Income and Living Conditions. Secondly, as a result of the pandemic when the survey moved from face-to-face to telephone so it was shortened to reduce respondent burden and also to retain cohorts for subsequent waves.

The survey now focuses more on income with a reduced living conditions element.

As with most longitudinal surveys, attrition reduces the sample size over time. Whilst the achieved sample across the six waves of the survey remains sufficient in the UK, it is somewhat limited in Northern Ireland at just over 300 addresses per year, thus restricting the feasibility of NI specific analysis.

Relevant Data Sources & Publications

The ONS introduced the Household Finances Survey (HFS) as the principal data source for household income and inequality for the financial year ending 2020 reference period onwards. The ONS transformed the production of their household financial statistics by integrating two of their existing household income surveys, the Living Costs and Food Survey (LCF) and the Survey on Living Conditions to create the source HFS. Through the harmonisation of main questions on income, pensions, employment and living conditions, the HFS provides an achieved sample of over 16,000 households in the UK. The two surveys remain separate with SLC providing a longitudinal aspect of the HFS and collecting additional policy response data whilst the LCF delivers information on expenditure.

Estimates of household income and inequality largely remain comparable across the two sources. Furthermore, the change in data source and increase in sample size, results in less volatility across the measured income distribution as well as more precise estimates of household income, increased stability over time, and more granular statistics at regional levels and for different population subgroups.

The HFS is used to produce a number of ONS publications, including:

- 'Household income inequality, UK'
- 'Effects of taxes and benefits on UK household income'
- 'Average household income, UK'
- 'Economic well-being in Great Britain'

2.5 Survey on Income and Living Conditions

Data type: Cross-sectional and longitudinal household survey

Producer: Central Statistics Office, Ireland

Frequency: Annual

Coverage: Republic of Ireland

Sample size: In 2020, the achieved sample size was 4,243 households and 10,683 individuals.

Overview

The Survey on Income and Living Conditions (SILC) in Ireland is an annual household survey conducted by the Central Statistics Office (CSO) since 2003. The primary focus of the SILC is the collection of information on the income and living conditions of different types of households in the RoI, in order to derive indicators on poverty, deprivation and social exclusion. It is the official source of data on household and individual income in the Republic of Ireland and also provides a number of key national poverty indicators, such as the at risk of poverty rate, the consistent poverty rate and rates of enforced deprivation.

Coverage

All households in Ireland have an equal probability of selection for the survey. In 2020, the achieved sample size was 4,243 households and 10,683 individuals.

The SILC sample is a rotational sample with both a cross-sectional and a longitudinal element to the sample. Respondents were originally followed across four years (or 'waves'), however in 2020, a fifth wave was added and in 2022 this will be increased to six waves. Therefore, the respondents will stay in the sample for longer, consistent with the UK's Survey on Living Conditions.

Dataset Access

Data is made available via the CSO's Databank dissemination tool and is also hosted on the CSO website in Excel format.

Topics

Topics measured in the questionnaire include:

- Income
- Material deprivation
- Social exclusion
- Economic status
- Industry of employment
- Employment status
- Occupation
- Education level
- Health
- Housing conditions
- Child care
- Quality of life
- Access to services
- Well-being

Income statistics are primarily presented at national level but they are also broken down by year and the following demographic characteristics:

- Sex
- Age Group
- Principal Economic Status
- Highest Education Level Attained
- Household Composition
- Number of Persons at Work in the Household
- Tenure Status
- Urban/Rural Location
- Region

Main Uses & Poverty Analysis

The SILC is recognised as the primary source of data on income in the RoI, providing a wealth of information in the areas of income, poverty, inequality, well-being and social exclusion. In particular, the survey helps to monitor progress in the fight against poverty. Specialist research bodies, such as the Economic and Social Research Institute and Social Justice Ireland use the data to monitor what is happening and make proposals for policy improvements.

Eurostat, the statistical arm of the European Commission, also use the results to compare living conditions throughout the European Union.

The following key indicators are derived from the SILC data:

- At risk of poverty rate - This is the share of persons with an equivalised income below a given percentage (usually 60%) of the national median income. It is also calculated at 40%, 50% and 70% for comparison.
- Deprivation rate - Individuals deprived of two or more of the eleven basic deprivation items, are considered to be experiencing enforced deprivation. This is the basis for calculating the deprivation rate.
- Consistent poverty - The consistent poverty measure looks at those persons who are defined as being at risk of poverty and experiencing enforced deprivation.
- Relative at risk of poverty gap - This is the difference between the median equivalised income of persons below the at-risk-of-poverty threshold and the at-risk-of-poverty threshold, expressed as a percentage of the at-risk-of-poverty threshold.
- At risk of poverty rate before social transfers - This indicator is calculated based on two alternative measures of equivalised income. The first calculates equivalised income as the total disposable household income including old age and survivors' benefits but excluding all other social transfers. The second excludes all social transfers.
- At risk of poverty rate anchored at a moment in time - For a given year, the "at risk of poverty rate anchored at a moment in time" is the share of the population whose income in a given year is below the at risk of poverty threshold calculated in the standard way for a previous base year and then adjusted for inflation.
- Gini coefficient - This is the relationship between cumulative shares of the population (ranked according to the level of income from lowest to highest) and the cumulative share of total income received by them, i.e. the Lorenz Curve.

- Inequality of income distribution (S80/S20) quintile share ratio - This is the ratio of the average equivalised income received by the 20% of persons with the highest income (top quintile) to that received by the 20% of persons with the lowest income (lowest quintile).

Strengths

The survey is carried out to meet Ireland's commitments under specific EU legislation. The purpose of the legislation was to establish a common framework for the systematic production of community statistics on income and living conditions, encompassing comparable and timely cross-sectional and longitudinal data on income and on the level and composition of poverty and social exclusion at national and European levels.

CSO uses primary micro data sources in its statistical programs to complement or replace survey data, to make its statistical operations more efficient or to create new insights or products. These data enable CSO to fill information needs about the Irish society, economy and environment, reduce response burden and costs imposed by surveys, and improve data quality and timeliness. The primary micro data sources are the Department of Social Protection social welfare data, Office of the Revenue Commissioners' employee income data, Department of Agriculture, Food and the Marine Animal Identification and Movement Data, Student Universal Support Ireland Grant Application and Payment Data, Local Authority HAP Shared Services Centre Housing Assistance Payments and the Residential Tenancies Board Rent Data. The CSO continues to work with these sources to ensure good quality data is available on a timely basis.

The collection period has changed from the 12-month annual collection period to 6 months from January to June. This is to improve timeliness by facilitating an earlier transmission and publication date.

Limitations

Two important statistics usually presented when measuring income, poverty and social exclusion are not included in the national release, namely 'Persistent Poverty' and 'Income Mobility' (transition of the population between income deciles). These have been excluded from the national release due to impeding sampling and technical issues. The longitudinal sample has not been robust enough to provide reliable estimates of the statistics at national level.

The relevance of SILC data suffers somewhat from issues of timeliness, however recent changes in the collection period of the survey data should help improve this.

In 2021, the European framework regulations were amended. In order to meet the requirements of the new regulation, CSO introduced changes to many SILC survey processes, including changes in the data collection period, income reference period and sampling. These changes have resulted in a break in the SILC time series for 2020 onwards.

Relevant Data Sources & Publications

CSO produce an annual publication from the Survey on Income and Living Conditions as well as a Poverty Insights report.

Eurostat disseminate their own releases and statistics using SILC data. The definitions adopted by Eurostat differ slightly from national definitions and concepts used by CSO. Therefore, estimates produced by CSO are not directly comparable with EU-SILC estimates produced on the Eurostat website.

Earnings data from SILC is used regularly in a number of OECD publications, including Employment Outlook.

The Department of Social Protection publish the Social Inclusion Monitor annually. The purpose of the Social Inclusion Monitor is to report officially on progress towards the National Social Target for Poverty Reduction, including the sub-target on child poverty and Ireland's contribution to the Europe 2020 poverty target. This annual Monitor uses the latest statistical data available from the SILC and from Eurostat (SILC micro-data) to analyse trends in official poverty measures and other supporting indicators.

The Household Budget Survey (HBS) collects information on the consumption expenditure of households in Ireland. It also provides information on income but it is used primarily for categorical purposes (e.g. for analysis of households according to different levels of disposable income) rather than the provision of information on income levels. The last survey was for the period 2015 and the next update of HBS data will take place in 2022 for the reference year 2020.

2.6 Effects of Taxes and Benefits on Household Income

Data source: Household Finances Survey (integrating Living Costs and Food Survey & Survey on Living Conditions)

Producer: Office for National Statistics

Frequency: Annual

Coverage: UK

Sample size: In 2019/20, 16,123 households were interviewed across the UK, comprising of 36,388 individuals. This included 634 households in Northern Ireland with 1,437 individuals.

Overview

The Effects of Taxes and Benefits on Household Income (ETB) has been produced annually since 1961, with comparable estimates available from 1977 onwards. The main purpose of ETB is to provide quantitative analysis of the effects of government intervention, through taxes and benefits, on the income of private households in the UK, allowing analysis of long-term trends. It provides estimates of household incomes, including the average amount of taxes that households pay and also the value of benefits that they receive.

The ETB data is from the Office for National Statistics' Living Costs and Food Survey (LCF). However, for the financial year ending 2020 onwards, the LCF has been integrated with the Survey on Living Conditions to create the Household Finances Survey (HFS), which provides increased sample sizes and more precise estimates of income. In addition, ETB uses a number of administrative sources to improve the quality of estimates, particularly to estimates of indirect taxes (for example, VAT) and benefits-in-kind (for example, education, NHS).

Coverage

Comparable estimates are available annually from 1977. The data covers the UK as a whole with some estimates produced at a regional level, including Northern Ireland.

Changing the principal data source from the LCF to the Household Finances Survey, increased the achieved sample from which estimates are derived from around 5,000 to over 16,000 households. In 2019/20, 36,388 individuals from 16,123 households were interviewed across the UK. This included 634 households in Northern Ireland with 1,437 individuals.

Dataset Access

The ETB microdata are available on the UK Data Service website at various levels of detail under different user agreements.

Topics

One of the unique contributions of ETB is the detailed breakdown of household income it provides, including estimates of both direct and indirect taxes, and both cash benefits and

benefits-in-kind provided by the state. The ETB analysis uses five stages in the redistribution of income:

- 'Original income': The starting point of the analysis is the annualised income in cash of all members of the household before the deduction of taxes or the addition of any state benefits; it includes income from employment, self-employment, investment income, private pensions and annuities, which include all workplace pensions, individual personal pensions and annuities.
- 'Gross income': The next stage of the analysis is to add cash benefits and tax credits to original income to obtain gross income.
- 'Disposable income': Income Tax, Council Tax and Northern Ireland rates, and employee's and self-employed National Insurance contributions are then deducted to give disposable income.
- 'Post-tax income': The next step is to deduct indirect taxes (such as VAT, and fuel and alcohol duties) to give post-tax income.
- 'Final income': Finally, the analysis adds benefits that are provided 'in kind' to households by government, for which there is a reasonable basis for allocation, to households to obtain final income; these 'in kind' benefits include the provision of education, health services and subsidised travel and housing.

This enables analysis of each stage of the redistribution process from original income through to final income, looking at the impact of taxes and benefits on income inequality.

At no stage are deductions made for housing costs.

Main Uses/ Poverty Analysis

ETB data is primarily used to produce an annual statistical bulletin, which provides estimates of the redistribution effects on individuals and households of direct and indirect taxation and benefits received in cash or kind, analysed by household type. Figures on average household incomes, taxes and benefits are provided by country and region, including Northern Ireland.

The analysis is generally more focused on income inequality as opposed to poverty measures. Analysis of the effects of taxes and benefits estimates provide:

- Long-term trends in household income for income quintiles and deciles, with detailed breakdowns by income component (including individual taxes and benefits).
- Income for quintiles and deciles of retired and non-retired households, with detailed breakdowns by income component.
- Long-term trends in income inequality, measured through the Gini coefficient, S80/S20 and P90/P10 ratios.
- Average incomes, taxes and benefits by household type, tenure status and region.
- Taxes paid (direct and indirect) as a proportion of income and expenditure.
- Households receiving more in benefits than paid in taxes.
- Characteristics of income quintile or decile groups (including number of adults or children, household type, tenure, age or employment status).

These statistics allow for analysis of the distributional impact of government policy on taxes and benefits. They are the only statistics available that are able to give such a complete picture of the distribution of income including indirect taxes and benefits-in-kind. In particular, benefits-in-kind are often ignored in analyses of inequality from other sources.

ETB data are the primary source used by HM Treasury in their Intra-Governmental Tax and Benefit Microsimulation Model. This is used to model possible tax and benefit changes before policy changes are decided and announced.

Strengths

An important strength of the data is that comparable estimates are available back to 1977, allowing analysis of long-term trends. In addition, information on people's income and expenditure levels allows unique insight into the incidence of indirect taxes that different groups of households pay. This, combined with estimates of benefits-in-kind, provides the most complete assessment of the redistributive role of taxes and benefits available in the UK.

As ETB data is derived from the LCF survey, which is the primary source of household expenditure data in the UK, it is also possible to use these data to carry out joint analysis of income and expenditure. This is something that is strongly recommended by the Organisation for Economic Co-operation and Development and many others for better understanding people's economic well-being in terms of their material living standards.

A further strength of ETB comes from the integration of two of ONS's existing household income surveys, the Living Costs and Food Survey and the Survey on Living Conditions, to create the Household Finances Survey. Through the harmonisation of questions on income, pensions, employment and living conditions, the HFS provides an achieved sample of over 16,000 households across the UK. This means that ETB data, that were previously estimated from the LCF alone (approximately 5,000 households), benefit from a much larger sample. This in turn enables greater precision in headline estimates, increased stability over time, and more granular statistics at regional levels and for different population subgroups. For financial year ending (FYE) 2020, the ETB estimates of household income and inequality were produced using the HFS and historical datasets back to FYE 2018, have also been revised to incorporate the HFS.

Limitations

As with all survey-based sources, the data are subject to some limitations. For instance, the Living Costs and Food Survey is a sample of the private household population and therefore does not include those who live in institutionalised households, such as care homes and hostels, or the homeless. As such, it is likely that many of the poorest in society are not captured, which users should bear in mind when interpreting these statistics.

In addition, the LCF is known to suffer from under-reporting at the top and bottom of the income distribution. While an adjustment to address survey under-coverage of the richest

people was introduced for statistics covering the FYE 2019, measurement issues at the bottom remain.

While the integration of LCF into the HFS, now provides an achieved sample of over 16,000 households across the UK, this only includes approximately 600 addresses in Northern Ireland. Therefore, although the Family Resources Survey is subject to the same limitations as other survey sources, it benefits from a larger sample size in Northern Ireland (2,000 households) and, as such, will have a higher level of precision than Effects of Taxes and Benefits estimates.

There is typically a 15 month lag from reference period to publication. However, from 2013/2014, headline estimates are available after 11 month in an insight report, several months in advance of the main statistical bulletin.

Related Data Sources/Publications/Analysis

Headline estimates from the Effects of Taxes and Benefits on Household Income are published in the annual 'Household income inequality, UK' insight, designed to provide more timely figures of main indicators. The main 'Effects of taxes and benefits on UK household income' statistical bulletin is published several months later, providing further detail on the full impacts of taxes and benefits on the distribution of income.

The ETB data are also used to produce a range of ad hoc pieces of analysis by ONS and others, such as 'The Effect of Taxes and Benefits on Income Inequality: 1977 to 2015'.

The Households Below Average Income (HBAI) is a related data source. The methodologies and concepts used for HBAI are broadly comparable to ETB, although there are some small but important differences. For example, ETB includes benefits-in-kind provided by employers (for example, company cars) within income, but these are excluded from HBAI. Therefore, such differences in approach and the different survey sources mean that HBAI and ETB estimates can differ slightly from each other. However, historical trends are broadly similar across the two sources.

2.7 Understanding Society: the UK Household Longitudinal Study

Data type: Longitudinal panel survey

Producer: Institute for Social and Economic Research at the University of Essex

Frequency: Annual

Coverage: UK

Sample size: In Wave 11 (conducted in 2019 and 2020), there were 22,077 active households across the UK, comprising of 54,598 individuals. In NI, there were 1,191 active households with 2,631 individuals.

Overview

Understanding Society is also known as the UK Household Longitudinal Study. The study is commissioned by the Economic and Social Research Council and led by the Institute for Social and Economic Research at the University of Essex. It is a unique and valuable study that captures important information every year about the social and economic circumstances and attitudes of people living in the UK.

Understanding Society is built on the successful British Household Panel Survey (BHPS), which ran from 1991-2009 and had around 10,000 households in it. In 2001, 2,000 households were added in Northern Ireland, making the panel suitable for UK wide research.

This major longitudinal household panel survey started in 2009, and is the largest study of its kind, with around 40,000 households interviewed at Wave 1, including around 8,000 of the original BHPS households. The inclusion of the BHPS households allows researchers and policy makers to track the lives of these households from 1991.

Coverage

All four countries of the UK are included in the study, allowing comparisons of people living in different places and in different policy contexts. It includes national, regional and local data.

In 2001, 2,000 households in Northern Ireland were added to the Household Panel Survey, making it suitable for UK wide research. In 2009, a further 2,395 addresses were selected from NI for Understanding Society. However, an ethnic minority boost sample was only included in Great Britain.

The study collects data from household members aged 10 and above on an annual basis. Approximately 40,000 households were interviewed at Wave 1 in 2009. In Wave 11 conducted in 2019 and 2020, there were 22,077 active households across the UK, including those from the original sample (13,952), the ethnic minority boost samples (3,280) and the predecessor British Household Panel Survey/NI Household Panel Survey (4,845). This

comprised of 49,052 individuals, including 44,421 adults and 4,631 10-15 year olds in the UK. In Northern Ireland, there were 1,191 active households with 2,631 individuals.

Dataset Access

The data from Understanding Society are available via the UK Data Service.

Eleven waves of Understanding Society data are available for 2009-2020. The dataset also includes the harmonised BHPS data from 1991, allowing researchers to analyse 29 years of rich household panel data.

Topics

The study is multi-topic, covering a range of social, economic and behavioural factors, including:

- Family life
- Income, wealth and expenditure
- Education and employment
- Civic participation
- Health, wellbeing and health behaviours

In particular, the income, wealth and expenditure element of survey includes:

- Household finances
- Income, wealth, savings and assets
- Pensions and pension planning
- Benefits
- Financial strain and material deprivation
- Food poverty

Main Uses & Poverty Analysis

Understanding Society has a wide range of users including university researchers from a wide range of different disciplines; UK Government departments for use in official statistics and for analysis in a wide range of departments; and charities, think tanks and businesses who want to know about people's experiences and life in the UK.

The study is widely used in poverty analysis, particularly due its longitudinal nature which allows for analysis in terms of persistence poverty and lived experience of poverty. It collects both objective and subjective indicators.

Some of the poverty research that the rich data from Understanding Society has been used to inform include:

- Understanding Society data is used by Department for Work and Pensions in Income Dynamics, which includes NI analysis.

- The Social Metrics Commission uses Understanding Society to measure poverty persistence in their annual Measuring Poverty report. The Commission uses the data to examine persistence and lived experience of poverty.
- The Institute for Fiscal Studies uses Understanding Society data in its report Living standards, poverty and inequality in the UK: 2021.
- Joseph Rowntree Foundation research such as Poverty in Northern Ireland 2018.
- Research on fuel poverty, child poverty, poverty and health, and in-work poverty.

Strengths

Understanding Society can accommodate different ways to measure poverty. Although surveys such as the FRS can provide more detailed statistics on household income, the BHPS and Understanding Society are the only sources of longitudinal income data for individuals and households that can provide a picture of long-term social change. By repeatedly collecting data from the same individuals over many years, changes in people's lives can be understood and causality can be better identified than with cross-sectional survey data.

Study data can be linked, with consent, to administrative records from other sources to build a richer picture of households. This includes linkages with education, environmental and geographical data.

The collection of data from every adult and child aged 10 or older in the household of each sample member each year gives high quality and continuous information on the family and household environment in which individual dynamics takes place.

The large sample size permits analysis of small sub groups such as teenage parents and allows analysis at regional and country level.

The sample includes an over representation of ethnic minority groups to provide a more detailed and meaningful analysis of the make-up of UK society, however this is not done in Northern Ireland.

Limitations

As with most longitudinal surveys, attrition reduces the Understanding Society sample size over time. This is a particular limitation with persistent poverty analysis as individuals who do not respond to the survey for all four relevant consecutive waves are excluded from the analysis.

Other issues include small sample sizes for some groups, such as some ethnicity categories despite the ethnic minority boost samples.

Given the longitudinal aspect of the study and the wide range of topics included, the datasets are complex and can be difficult to manage and analyse.

Relevant Data Sources & Publications

Some of the key poverty related publications using Understanding Society data include the Department for Work and Pensions 'Income Dynamics' series and the Social Metrics Commission's 'Measuring Poverty' reports.

2.8 Wealth and Assets Survey

Data type: Longitudinal survey

Producer: Office for National Statistics

Frequency: Biennial

Coverage: Great Britain

Sample size: 34,000 individuals interviewed across 16,000 households during Wave 6: 2016-18

Overview

The Wealth and Assets Survey (WAS) was launched in 2006 and is a biennial longitudinal survey conducted by the Office for National Statistics (ONS). This survey measures the well-being of households and individuals in terms of their assets, savings, debt and planning for retirement. The survey also examines attitudes and attributes related to these. Data from this longitudinal survey also provides users with the ability to measure changes of wealth in Great Britain over time.

Coverage

The Wealth and Assets Survey is a longitudinal survey that interviews across Great Britain, however coverage does not extend to Northern Ireland.

In 2006, approximately 53,000 individuals across 30,000 households were interviewed in wave one. During wave six, which was conducted from 2016 to 2018, there were 34,000 individuals interviewed across 18,000 households.

Dataset Access

The datasets for waves one to six of the Wealth and Assets Survey are available via the UK Data Service to approved researchers under special user licence.

Topics

The Wealth and Assets Survey covers the following topics:

- Economic status
- Education/work history
- Employment and self-employment
- Income
- Income from benefits
- Pensions
- Financial assets
- Ownership of property
- Non-mortgage debt
- Debt burden
- Bankruptcy
- Other income
- Inheritance
- Trusts
- Financial acuity
- Attitudes to risk
- Health

Main Uses & Poverty Analysis

Data from the Wealth and Assets Survey are fundamental to understanding the distribution of assets, debts, and liabilities in Great Britain and fill gaps in official statistics for which evidence is lacking from either other survey sources or administrative data.

The main publication for WAS data is Total Wealth in Great Britain, Household Debt in Great Britain and Pension Wealth in Great Britain. To date, only limited income estimates have been published from WAS, concentrating on the relationship between household wealth and income. However, the scope for analysis is huge.

Research on wealth and assets tends to focus on inequalities rather than on measures of poverty. However, data from the WAS has been used in analysis of financial resilience/vulnerability. Experimental statistics from ONS show the extent to which different types of households have sufficient savings to cover basic living costs in the event of an unexpected fall in their household employment income for a three-month period, an important component of household financial resilience.

Strengths

The economic well-being of households is often measured by income, despite a household's resources being composed of its stock of wealth as well as its flow of income. To fully understand the economic well-being of households, and to better assess living standards, it is necessary to look beyond measures of household income and consider wealth in conjunction with income. For example, some older people may have relatively low incomes, but over their lifetime have accumulated a good degree of wealth such as property wealth and financial investments. Conversely, some young people may have high incomes but have not had time to accumulate much wealth, and have large student loans and mortgages. The Wealth and Assets Survey addresses this gap by gathering information on the ownership of assets (financial, physical and property), pensions, savings and debt. Therefore, WAS allows consideration of factors other than income when considering an individual's or a household's economic well-being.

The longitudinal design of the survey enables changes of wealth in Great Britain to be tracked over time. It also allows the impact of specific life events to be analysed, such as the transition from working life to retirement, as well as general life cycle effects.

Limitations

A limitation of the Wealth and Assets Survey is that self-valuation tends to yield higher estimates of worth than most other property indicators may suggest.

As wealth is highly skewed towards the top, the survey was designed to pick up the very wealthy. Therefore, the sample contains some very wealthy outliers. Given the skewed nature of wealth data and the effect that outliers can have on parametric estimates, associated outputs do not generally report mean values. Instead, they use the median values to report central tendency.

The focus of WAS is the estimation of household and individual wealth. However, income measures are only designed to provide classificatory variables, for example, used to divide the population into income groups to analyse wealth by income grouping.

Relevant Data Sources & Publications

Household Finance and Consumption Survey (HFCS) was conducted in the ROI by the Central Statistics Office in 2018/19. The HFCS is a household survey that collected data on household consumption and finances across 4,793 respondent households in the ROI. It covered areas such as demographics, real and financial assets, liabilities, consumption and saving, income and employment, future pension entitlements, intergenerational transfers, gifts and attitudes to risk. The main aim of the survey was to gather micro-level, structural information on households' assets and liabilities.

Personal Wealth Statistics produced by the HM Revenue & Customs is an additional source of National Statistics that provide estimates of wealth and wealth inequality in the UK. It is a long-standing series first published in 1976, based on administrative data submitted for inheritance tax purposes. The data includes Northern Ireland.

2.9 Minimum Income Standards

Data type: Qualitative focus groups

Producer: Centre for Research in Social Policy at Loughborough University on behalf of the Joseph Rowntree Foundation

Frequency: Annual

Coverage: UK

Sample size: In 2021, 9 groups each comprising of 6 to 8 people, were recruited across various UK regions with one of these groups in NI. In all, over 160 groups have been used to research MIS since its inception in 2008, involving a new set of participants each year.

Overview

Another way of looking at poverty is to consider what income a family needs to meet some minimum acceptable standard of living. Annual research funded by the Joseph Rowntree Foundation estimates Minimum Income Standards (MIS) for different household types in the UK. It is carried out by Loughborough University's Centre for Research in Social Policy and involves in-depth consultation with members of the public, combined with expert knowledge, to identify the level of income required to meet a minimum acceptable standard of living: "having what you need in order to have the opportunities and choices necessary to participate in society."

Since 2008, MIS research has provided an annually updated household income benchmark that both reflects current living standards and captures societal changes over time. It includes calculated variations for urban and rural areas and the additional cost of disability.

Coverage

MIS was originally calculated as a minimum for Great Britain; subsequent research in Northern Ireland in 2009 showed that the required budgets there were close to those in the rest of the UK, so the national budget standard now applies to the whole of the UK.

Furthermore, as part of a process introduced in 2018, focus groups were held in other countries across the UK and not just England as had previously been done, to check whether there were any substantial differences in perspective on what constitutes a minimum in different parts of the United Kingdom. In 2020, for the first time groups were held in Northern Ireland.

In 2021, there were nine online discussion groups; three with working-age adults without children, three with parents and three with pensioners. Each group comprised between six and eight people from a range of backgrounds, housing tenures and income sources (work/pension and/or benefits). The geographic regions included NI, Wales, Scotland and various regions of England.

Dataset Access

There are several ways of accessing MIS results, all via the results page on the Loughborough University MIS website:

- The online Minimum Income Calculator shows the budgets and earnings requirements for any specified household type.
- For users who want to analyse the data, there are spreadsheets showing the budgets broken down by category for each of the main household types for each year of MIS.

Topics

The MIS budgets are based on detailed lists of what is required by different household types, including:

- Food
- Clothes
- Accommodation
- Utilities
- Fuel
- Household goods
- Personal goods and services
- Transport
- Social and cultural activities

MIS produces budgets for a wide range of household types. Specifically, budgets are calculated for pensioners, working-age adults without children and families with children; within each of these, budgets are distinguished for single adults/lone parents and for couples. For families with children, budgets are calculated to include up to four children with couple parents and up to three with lone parents, in any combination of four age categories: aged 0–1, aged 2–4, primary school age and secondary school age.

Main Uses & Poverty Analysis

MIS data complements other poverty measures and can assist in the formation of support policies to tackle poverty and enhance social inclusion. Notably, it is used:

- To calculate the Living Wage;
- By charities as a benchmark for helping people in financial need;
- As part of the Scottish Government's fuel poverty measure and targets; and
- To calculate the cost of a child.

Centre for Research in Social Policy undertakes analysis of the Family Resources Survey to estimate the number of households in different groups with disposable incomes below MIS and below a certain percentage of MIS. This trend is monitored annually. Three indicators have been developed using FRS data:

- The number of individuals in households with incomes below MIS, representing those with incomes too low to afford the things identified by the public as necessary in order to meet material needs and participate in society.

- The number in households below 75% of MIS, representing an indicator of poverty, by showing how many have a greatly increased risk of deprivation associated with low income.
- A 'depth indicator' summarising the overall amount that household income falls short of MIS.

Strengths

The Minimum Income Standard is designed as a benchmark to inform decision-making, not a new poverty line. In the present economic climate, when incomes are being squeezed, it is useful to look at trends in the number of households living below MIS, and how far short of the benchmark they fall. This will illustrate the impact on different groups of a period when incomes have been generally rising more slowly than the cost of a minimum standard of living.

An advantage of the MIS research over benchmarks set by experts, or with reference to economic data, is that it is rooted in a tangible account of everyday life, and is able to pick up specific changes as they occur. While most items remain the same or similar from one round of MIS research to the next, each round also brings changes related to factors such as new technologies, the evolution of products on the market, and sometimes subtly shifting attitudes – such as towards the range of choices required and acceptable ways of economising.

The equivalisation process uses a standard scale to compare between households of different sizes. For the MIS, however, annual income requirements for each household type are calculated separately so there is no fixed ratio that relates the MIS for a single adult, say, to that for a couple household. The MIS calculation also distinguishes between pensioner and non-pensioner households. Compared to the MIS research, the standard equivalisation scales in the official statistics are thought to underestimate the relative cost of each additional child and also underestimate the cost of a lone parent family compared to a couple family.

The Consumer Prices Index (CPI) looks at average spending patterns across all households, but the MIS looks at the cost of a collection of more basic goods and services and does not include 'luxury' items. Thus, the MIS puts more weight on certain items that have risen significantly faster than the overall CPI since 2008, including public transport, domestic fuel, and food. The relative low income threshold on the other hand does not bear any relation to prices.

Limitations

MIS is relevant to the discussion of poverty, but does not claim to be a poverty threshold. This is because participants in the research are not asked to talk about what defines poverty, but instead what, in today's society, constitutes an acceptable minimum.

There is difficulty in quantifying the 'minimum' cost of housing, therefore meaningful comparisons with the Households Below Average Income data is between net MIS budgets and income after housing costs.

Relevant Data Sources & Publications

The main publication using MIS data is 'A Minimum Income Standard for the UK'. This is produced annually and examines the current levels of MIS and the extent to which people can achieve it based on benefits, Universal Credit and the National Living Wage. Geographical variations of this report have also been produced. In particular, a minimum income standard for Northern Ireland report was published in 2009 and considers how minimum income standards compare between Britain and Northern Ireland. A range of reports have also been produced addressing the extra cost of disability.

Analysis has also been carried out on families living below MIS. The 'Households below a Minimum Income Standard' report is produced annually and monitors changes in the number of people in households with incomes below MIS. The report 'Falling short: the experience of families below the Minimum Income Standard' explores the experience of living below MIS and is monitored through a group of families on low incomes, tracked over time. The research comprised of 30 in-depth interviews with parents in England in 2015. 'Making Ends Meet Below MIS' is a follow up to this study and retained the panel of families.

Minimum Essential Standard of Living - Ireland

Similar research is conducted to establish a minimum income standard for the RoI, based on the minimum needs of household types across the lifecycle, as determined through the consensual budget standards work of the Vincentian Partnership for Social Justice (VPSJ). The VPSJ's Minimum Essential Standard of Living (MESL) research has been ongoing since 2004 and the data is updated annually to define the expenditure and income required for a socially acceptable minimum standard of living in the RoI. The MESL dataset now covers 90% of households across urban and rural RoI. The full set of MESL 2021 data, for all household types and compositions, and the suite of income scenarios are available on the VPSJ's budget standards research website. An MESL Update Report is published each year to accompany the update of the MESL expenditure needs data.

Similarly to MIS in the UK, MESL benchmarks the adequacy of the minimum wage employment for a range of household compositions but also the adequacy of social welfare supports. The analysis examines the adequacy gap between households' MESL expenditure need and rates of social welfare and/or minimum rates of pay. In doing this, the extent and breadth of the gap is monitored, and factors which have contributed to changes in the incidence of deep inadequacy are identified. The MESL data also forms the basis of the Living Wage calculation, and the approach has been used by the VPSJ in establishing the cost of a Minimum Essential Food Basket in the Republic of Ireland and Northern Ireland.



3. Sources of Poverty Data – Secondary Analysis

3.1 Income Dynamics

Data source: Understanding Society Longitudinal Survey

Producer: Department for Work and Pensions

Frequency of publication: Annual

Coverage: UK including breakdowns by Country/Region

Sample size: In 2015-2016 to 2018-2019, approximately 29,000 four-year cases were available for analysis in the UK, including 2,000 in NI.

Overview

Income Dynamics are official statistics published annually by the Department for Work and Pensions (DWP). They supplement the Households Below Average Income (HBAI) series, providing information on the persistence of low income for various population groups and changes in income over time. These statistics are derived from the Understanding Society longitudinal survey in which individuals are interviewed on a yearly basis.

An individual is classed as being in persistent low income if they are in low income in at least three out of four consecutive years. Income Dynamics also provides estimates of mobility across the income distribution, including low income entry and exit rates.

These statistics have been produced since 2017 in response to the DWP's statutory obligation to publish a measure of persistent low income for children, under Section 4 of the Welfare Reform and Work Act 2016.

Coverage

Income Dynamics provides statistics for the UK as a whole; each of the countries England, Scotland, Wales and Northern Ireland; and also various regions of England including North East, North West, Yorkshire and the Humber, East Midlands, West Midlands, East, London, South East and South West.

Data is produced annually. Persistent low income is analysed on the basis of 'rolling' four-survey period datasets, therefore the most recent figures are for 2015/16-2018/19, however there are 6 years of data available from 2010/11-2013/14 to 2015/16-2018/19.

Dataset Access

Income Dynamics microdata are not publicly available.

Supporting tables are published alongside the annual report. These provide further breakdowns on persistent low income and movements within the income distribution.

Topics

The Income Dynamics statistics present a wealth of data on how persistent low income varies for different household formation, tenure and regions. The Income Dynamics annual report contains information on persistent low income trends and the characteristics of individuals in persistent low income, including children, working-age adults and pensioners, both before housing costs (BHC) and after housing costs (AHC).

Data are also published for low income entry and exit rates across a two-wave period, movements between quintiles over time, and where in the income distribution individuals spend the most time.

In the 2021 release covering the period 2010 to 2019, Income Dynamics explored the extent to which certain 'events' are associated with low income entry and exit, such as changes in income components, employment within the household, and demographic changes.

Main Uses & Poverty Analysis

Income Dynamics statistics provide a longitudinal perspective on low incomes and is primarily used to measure persistent poverty. By looking longitudinally at low incomes, the durations of low incomes for different groups and what characteristics generate persistent low income, can be analysed. Longitudinal analysis also allows the calculation of rates of entry into and exits from persistent low income as well as analysis of movements within the income distribution overall. New analysis has been developed which explores the events associated with low income entry and exit, by considering changes to income sources (including earned and non-earned income), changes in employment, and demographic changes. Changes in tenure and housing costs are also considered for AHC analysis.

Income Dynamics analysis includes:

- Persistent low income trends
- Individuals in persistent low income
- Children in persistent low income
- Working-age adults in persistent low income
- Pensioners in persistent low income
- Movement between income quintiles
- Low income entry and exits rates
- Events associated with entries into and exits out of low income

These are analysed on a BHC and AHC basis, at both the 60% and 70% of median income thresholds, by a range of characteristics including:

- Employment status
- Ethnicity
- Family type
- Long-standing illness or disability

- Tenure
- Educational qualifications
- Age

Users of Income Dynamics statistics include policy and analytical teams within the DWP, the devolved administrations and other government departments, local authorities, Parliament, academics, think tanks, journalists, and the voluntary sector.

Strengths

While HBAI remains the best source of cross-sectional low income statistics, Income Dynamics provides a longitudinal perspective on low income statistics. It fills an important gap that emerges if low income statistics are only considered on a cross-sectional basis, as in the HBAI series.

A further strength of Income Dynamics, is the geographical breakdowns available. In particular, it provides statistics for Northern Ireland on the percentage of individuals, children, working-age adults and pensioners in persistent poverty.

DWP have worked with the University of Essex to improve the quality of the derivation of incomes from the Understanding Society survey, and therefore these statistics have been subject to revisions beyond those that occur routinely in longitudinal data analysis. In particular, the derivation of housing costs was improved to bring the after housing cost analysis into line with HBAI.

The persistent low income results are also reviewed with EU-SILC results, as well as comparing single year income distribution and low income statistics with HBAI. While differences between these sources would be expected because of different survey vehicles, timings and definitions, there is a good level of consistency between different data sources.

Limitations

As a survey based source, Income Dynamics shares the same limitations as the Understanding Society survey. However, it also faces some additional limitations.

As with most longitudinal surveys, attrition reduces the Understanding Society sample size over time. Attrition affects Income Dynamics to a greater extent, as individuals who do not respond to the survey for all four relevant consecutive waves are excluded from the analysis. Since 2010/11-2013/14, the number of cases available for analysis across a four-year period has reduced from 47,000 to 29,000 in 2015/16-2018/19.

As well as attrition reducing the sample size, there are also missing data for many variables used in the analysis. Records with missing data are excluded from the analysis when the variable with missing values is relevant to the analysis. The most common reason for not having income information is having individual responses but not complete household response information.

Other issues include small sample sizes for some groups such as some ethnicity categories.

There were issues with the income information in the first Understanding Society wave covering 2009 to 2010 and as such income data on the first wave of Understanding Society are not comparable with subsequent waves and are likely to be of lower quality. Therefore, the first wave has been excluded from analysis.

Relevant Data Sources & Publications

Using the Income Dynamics data, DWP produce the 'Income Dynamics: income movements and the persistence of low income' report each year.

A related publication is the Office for National Statistics' publication on 'Persistent Poverty in the UK and EU'. This is based on the European Union Statistics on Income and Living Conditions (EU-SILC) and, as well as drawing on a different data source, uses slightly different definitions, counting persistent low income as individuals who are in low income households for at least three of the last four years, including the latest year. This definitional difference means EU persistent low income statistics for the UK tend to be a little lower than those presented in ID.

As part of the EU structure of social indicators, Ireland has agreed to produce an indicator of persistent poverty. This indicator measures the proportion of those living below the poverty line in the current year and for two of the three preceding years. To date the Irish SILC survey has not produced any detailed results and breakdowns for persistent poverty due to impeding sampling and technical issues.

3.2 Social Metrics Commission

Data source: Households Below Average Income and Understanding Society Survey

Producer: Social Metrics Commission

Frequency of publication: Annual

Coverage: UK

Overview

The Social Metrics Commission (SMC) is an independent organisation formed in 2016 to develop a new approach to poverty measurement that both better reflects the nature and experiences of poverty that different families in the UK have, and can be used to build a consensus around poverty measurement and action in the UK.

SMC's approach to measuring poverty in the UK is based on the extent to which the material resources that someone has available to them now are sufficient to meet the material needs that they currently have. Alongside its measure of poverty, the Commission created a wider measurement framework, to consider the depth and persistence of poverty as well as the wider factors that can impact on the lives of people in poverty.

Coverage

The SMC's 'Measuring Poverty' report includes data for the UK as a whole; each of the countries England, Scotland, Wales and Northern Ireland; and also various regions of England including North East, North West, Yorkshire and the Humber, East Midlands, West Midlands, East, London, South East and South West.

The Commission published its first report in September 2018 and was the first time this framework had been used to present a detailed articulation of the nature of poverty in the UK. Subsequent reports are published on an annual basis.

Dataset Access

The code underlying the SMC's measure of poverty, along with detailed user guides, can be downloaded from the Commission's website. The STATA code is set up to recreate the Commission's measure, drawing on data from Understanding Society, Family Resources Survey, and Households Below Average Income. Analysts and researchers can run the code to replicate SMC's analysis or extend the analysis to produce new insights based on the metric.

One set of code draws on the Family Resources Survey and related Households Below Average Income data to operationalise the Commission's core measure of poverty, measures of depth, and selected Lived Experience Indicators. A second set of code draws on Understanding Society data to operationalise the Commission's measure of persistent poverty and the remaining Lived Experience Indicators.

Topics

The Commission's poverty measurement framework includes:

- Understanding who is in poverty
 - Core measure of poverty is the extent to which the material resources that someone has available to them now are sufficient to meet the material needs that they currently have.
 - Total resources available measure includes:
 - All sources of post-tax earnings and income, including all benefit and tax credit income
 - Liquid assets available for immediate use
 - A deduction of inescapable family-specific recurring costs that families face from housing and childcare
 - A deduction of inescapable extra costs of disability
 - Immediate material needs is the total resources available measure adjusted to account for family size and composition.

- Setting a poverty line
 - Determining a benchmark for social norms in society.
 - Setting a threshold beneath this that reflects the situation of poverty, using a three-year smoothed median total resource available.

- Understanding more about the nature of that poverty
 - Depth of poverty
 - Reflects how far each family in poverty is below the poverty line
 - Considers families that are just above the poverty line
 - Persistence of poverty
 - Those in poverty this year; and
 - Had also been in poverty for two of the previous three years
 - Lived Experience Indicators
 - Family, relationships and community
 - Education
 - Health
 - Family finances
 - Labour market opportunity

Main Uses & Poverty Analysis

The SMC analysis is primarily used for their 'Measuring Poverty' report. This includes:

- Poverty rates over time since 2000/01
- Poverty rates across the UK by country, including Northern Ireland, and by regions in England
- Poverty rates by various population groups (including children, working age adults and pensioners) and family characteristics (including disability, work status, tenure and ethnicity)
- Poverty depth over time by country and region

- Breakdown of depth of poverty for those below the poverty line
- Breakdown of clearance above the poverty line
- Poverty persistence over time by country and region
- Poverty persistence by various groups and characteristics
- Lived experience indicators by poverty status
- Changes over time of lived experience indicators for those in poverty
- Estimates of the proportion of people in each of the four poverty types created to consider the nature of poverty including deep and persistent poverty, less than 50% below the poverty line and in persistent poverty, deep but non-persistent poverty and less than 50% below the poverty line but non-persistent poverty.

As well as measuring the incidence of poverty, the broader measurement framework developed by the Commission provides a deeper understanding of the factors that affect the experience of poverty, influence the future likelihood of poverty, or are consequences that flow from being in poverty. Therefore, specific uses of the broader SMC measurement framework include:

- The depth of poverty measure allows an understanding of the scale of the task that families face in moving out of poverty; and how close others (above the poverty line) are to falling into poverty.
- The persistence of poverty measure assesses how long families in poverty have been in poverty for, so that the escalating impact of poverty over time can be considered and tackled.
- The Lived Experience of those in poverty assesses a range of factors and characteristics that impact on a family's experience of poverty, make it more likely for them to be trapped in poverty and / or are likely predictors of their poverty experience.
- Someone's experience of poverty will depend on both the depth of that poverty and the length of time that they experience it for. This means that poverty depth and persistence can be brought together to create four groups of the population in poverty to better understand the composition of poverty.

The SMC measurement framework has also been utilised in a range of reports by the Joseph Rowntree Foundation.

Strengths

The Social Metrics Commission's new approach to measuring poverty has received widespread support. One of the key strengths of the Commission's poverty measurement framework is that it considers the incidence of poverty across the UK and each of the four nations, alongside providing details of the nature of that poverty, including the depth of poverty families experience and the extent to which they experience persistent poverty.

The Commission's focus is on measuring poverty, not social mobility, income inequality or wider measures of economic wellbeing. The poverty metric is also positioned within a wider framework that helps present a more detailed picture of exactly who is poor, and the range

of factors that can detrimentally impact on their lives, their experience of poverty and their future chances of remaining in, or entering poverty.

Inescapable costs faced by families are not captured in the existing equivalisation scales and therefore misrepresent the disposable income a family is left with. This metric accounts for the negative impact on people's weekly income of inescapable costs such as childcare and rent or mortgage payments, and the impact that disability has on people's needs.

The Commission's measure of poverty goes beyond conventional metrics that look only at incomes by also accounting for the positive impact of people's liquid assets on alleviating immediate poverty, such as savings, stocks, and shares.

The Commission's metric takes the first steps to including groups of people previously omitted from poverty statistics, like those living on the streets and those in overcrowded housing. It also highlights a range of groups that have previously been under-represented in official measures of poverty such as families with a disabled person.

This is the first time that all of these ideas have been brought together into a coherent framework for poverty measurement, which can be applied to existing UK data, thus making the most out of available data.

Furthermore, rather than using standard household assessments, whereby every individual within the same household is assumed to have an identical living standard, the Commission allow for intra-household differences in living standards through the creation of a new measure, the Sharing Unit. Whilst this does not capture perfectly all sharing relationships in all households, it is the best that is possible using the available data, and an improvement on previous measures, which assumes that all individuals in a physical household share perfectly.

In a review of income-based poverty statistics, the Office for Statistics Regulation recommended that DWP and ONS should assess how the SMC recommendations can be implemented in their own work to enhance the public value of their statistics.

Limitations

SMC advocates for a 'headline' measure of poverty, however, whilst a single measure would prevent the selective use of statistics, focusing on one measure risks masking the many nuances about the nature of poverty in the UK.

Some users question the concept of 'lived experience' and how this might differ for different age groups and backgrounds. The experience of poverty will also vary depending on the reasons why a person or family ended up in poverty, which can be complex and therefore difficult to capture through contextual indicators.

The Commission recognises that creating a new measure of poverty is only the start of what needs to happen and requires support to develop an Experimental Statistic based on their

approach as well as shining a light on areas that still warrant further exploration. It requires improved survey and administrative data, particularly on debt and the costs of social care; and also a more comprehensive approach to capturing the extra costs of disability.

Relevant Data Sources & Publications

Related data sources include Households Below Average Income and Understanding Society Survey.

Publications from SMC include:

- Poverty and Covid-19
- Measuring Poverty 2020
- Measuring Poverty 2019
- A new measure of poverty for the UK 2018

3.3 Destitution in the UK

Data type: Mixed methods

Producer: Heriot-Watt University on behalf of the Joseph Rowntree Foundation

Frequency: Biennial

Coverage: UK although destitution rates only available for GB

Sample size: In 2020, based on case studies in 18 locations, including a user survey of 113 crisis services and in-depth interviews with 70 destitute respondents.

Overview

Destitution in the UK is a flagship study led by Heriot-Watt University on behalf of the Joseph Rowntree Foundation. It aims to capture those who currently lack two or more of the six essentials including shelter, food, clothing and footwear, heating, lighting and basic toiletries, or their income is so low that they would be likely to lack these essentials in the immediate future.

The study uses mixed methods, which integrate findings from a major quantitative survey of users of crisis services with qualitative data from in-depth interviews with a purposively selected sample of destitute respondents. Secondary analysis of numerous quantitative datasets enable the scaling up of statistical findings from these case studies to national level.

The study defines destitution in the UK, looking at how many people are affected, who they are, and the main pathways in and out of destitution. It also considers the impact and experience of those people directly affected.

Coverage

In 2020, the project fieldwork comprised case studies of destitution in 18 areas across the UK, including a user survey of 113 crisis services, and in-depth interviews with 70 people affected by destitution.

The 18 case study areas each comprised of a whole local authority area. These authorities included 14 from England, two from Scotland and one each from Wales and Northern Ireland. Secondary analysis of over 40 quantitative datasets enabled the scaling up of statistical findings from these case study areas to national level.

The 2020 report is the third in a series of the 'Destitution in the UK' study with previous studies being in 2016 and 2018. The original 10 areas used in 2016 were Belfast, Swansea, Glasgow, Fife, Bournemouth, Ealing, Newham, Nottingham, Peterborough and Wiltshire. In 2018, this was extended in England to include East Hertfordshire and North Hertfordshire Districts; Herefordshire UA; Kirklees MD; Lewes and Rother Districts in East Sussex. In 2020, two additional London boroughs were included.

Dataset Access

Access to the data is not available. Findings are provided in the reports published by the Joseph Rowntree Foundation.

Topics

The study sources data via:

- Census survey of users of a range of crisis services in each case study area. The types of services include foodbanks, soup kitchen, advice service, day centre or drop-in centre and organisations supporting migrants.
- Secondary data and change analysis from a range of national-scale secondary data sources on time trends in factors that may be associated with destitution. Includes official poverty measures from HBAI, Understanding Society and data provided by Citizens Advice, Trussell Trust foodbank usage, homelessness trends, benefit sanctions etc.
- Qualitative interviews with a purposively selected sample of survey respondents who were 'destitute' and agreed to be re-contacted for interview.

The quantitative survey of users of crisis services covers:

- Occurrence of not having the necessities
- Sources of any money received
- Total income after tax
- Rent
- Sources of non-cash items
- Savings
- Experience of adversities
- Use of support service for necessities
- Use of temporary accommodation

The qualitative interviews explore the following topics:

- Current situation
- Definition of destitution
- Relevant experience of hardship
- Accessing advice
- Debt to authorities
- Impacts
- Routes out

Main Uses & Poverty Analysis

There has been growing concern about extreme hardship in the UK but there is a lack of quantitative evidence on the causes, scale, trends and distribution of destitution, and a lack of information about who is affected and the impact that it has on them. The destitution study aims to fill this evidence gap.

Analysis in the report includes:

- Destitution rates in the UK
- Destitution rates by country (excluding NI), regions of England local authorities in Great Britain
- Profile of those affected by destitution by household type, age group, income levels, living arrangements etc.
- Breakdowns by classification of destitute households including complex needs, migrants and UK other
- How destitution has changed over time
- The main pathways into and out of destitution
- The experiences and impacts of destitution for the people directly affected

Strengths

The study addresses the gap in evidence on destitution in the UK. Users feel this adds public value to the evidence base on poverty and highlights the experience of those in the deepest levels of poverty and their interaction with essential services.

The research study is unparalleled in its comprehensiveness, overcoming methodological and logistical challenges to provide robust statistical and qualitative data on hidden and hard-to-reach groups.

Unlike many of the other poverty data sources, this study utilises qualitative research methods to explore the experiences of, and impacts on, the people directly affected by destitution, and to place this extreme experience in the broader context of people's life course journeys through varying degrees of hardship.

Limitations

Destitution rates in Northern Ireland are not comparable with those for Great Britain and are not published in the 'Destitution in the UK' reports but instead only used to estimate destitution across the whole of the UK. To develop destitution rates, the survey of crisis users is used to estimate the number of users who are destitute across each of the case study local authority areas. A wide range of existing statistical datasets are reviewed in order to generate indicators of groups and factors associated with a high risk of destitution, covering every local authority in Great Britain. The general local authority indicator database does not extend to NI, and many of the component measures are not available for the Province. Therefore, a more limited set of indicators is used in NI. The survey-based estimates for the localities are compared with predicted rates of destitution based on the secondary indicators, to calibrate the latter indicators for consistency with the average survey findings.

The underlying assumption of the study is that people in a situation of destitution will seek out assistance from time to time. This is a conservative assumption, if some destitute people do not approach any of the crisis services sampled, the estimates will be on the low side.

Measuring change in destitution over time is quite difficult in practice as the risks of destitution, the local contexts and responses to it are all very variable.

The diversity of the methods used to generate an estimate of the scale of destitution necessitate a huge collaborative effort.

Relevant Data Sources & Publications

Related data sources used in the study include official poverty measures from HBAI, Understanding Society and data provided by Citizens Advice, Trussell Trust foodbank usage, homelessness trends, benefit sanctions etc.

Publications on Destitution in the UK include:

- Destitution in the UK 2020
- Destitution in the UK 2018
- Destitution in the UK 2016

3.4 European Union Statistics on Income and Living Conditions

Data source: Households Below Average Income and Survey on Living Conditions

Producer: Eurostat (the statistical office of the European Union)

Frequency of publication: Annual

Coverage: UK

Sample size: As per source survey

Overview

EU-Statistics on Income and Living Conditions (EU-SILC) is the EU reference source for comparative statistics on income, poverty, social exclusion and living conditions at the European level. It is co-ordinated by Eurostat and provides both cross-sectional and longitudinal data for the 27 European Union countries as well as Iceland, Norway, Switzerland and the UK. It is helpful in allowing comparative analysis to examine what is happening in the UK and Ireland with other countries.

Data collection began in 2006 after the European Union made a legal obligation for member states to collect additional statistics on income and living conditions. However, as the UK has now left the European Union, there is no longer a requirement to provide these statistics.

EU-SILC does not rely on a common questionnaire or a survey but on the idea of a framework. There are harmonised lists of target primary (annual) and secondary (every four years or less frequently) variables to be transmitted to Eurostat; common guidelines and procedures; common concepts (household and income) and classifications aimed at maximising comparability of the information produced.

The common framework is flexible in terms of data sources and sampling design although the use of existing data sources, whether they are surveys or registers, and the use of national sampling design is strongly encouraged. In the UK, EU-SILC was collected jointly by the Department for Work and Pensions who produce the cross-sectional data from the Households Below Average Income (HBAI), and the Office for National Statistics who produce the longitudinal data using the Survey on Living Conditions (SLC). However, the HBAI poverty estimates and SLC figures are not directly comparable with those produced for EU-SILC. This is primarily because they use different definitions of disposable income.

Coverage

The EU-SILC provides annual data for 27 European Union countries as well as Iceland, Norway, Switzerland and the UK.

Northern Ireland is included in the samples of both source surveys, however EU-SILC data is only available at the UK level.

Data is currently available for the UK from 2009 to 2018 and for the RoI from 2009 to 2020.

Dataset Access

The datasets are available on the Eurostat website. The microdata is also available but with limited access.

Topics

The main topics covered in the EU-SILC include:

- Income
- Poverty
- Material deprivation
- Housing
- Labour
- Education
- Health

Main Uses & Poverty Analysis

EU-SILC is used to measure the European Commission's Europe 2020 target on the number of people at risk of poverty or social exclusion. This measure combines a number of different dimensions of poverty and social exclusion into a single indicator. Other published indicators based on the data cover the following areas:

- Relative low income
- Material deprivation
- Low work intensity
- Income inequality (including Gini and S80/20 ratios)
- Housing deprivation, overcrowding and housing cost overburden
- Persistent at-risk-of-poverty (relative low income in current year and at least of two preceding years)
- Labour market and pay transitions

Many of these indicators are broken down by age, sex, employment status, level of education, housing tenure, country of birth, and citizenship.

Strengths

A main strength of EU-SILC is the consistency of the variables and concepts across countries, which allows for meaningful comparative analysis across the EU. For this reason, EU-SILC is the main source of poverty data used for policy monitoring and development at a European level. At a national level, this comparability is helpful in allowing researchers to examine what is happening in the UK and Ireland in comparison with other countries with different welfare regimes and different policy interventions.

A further important strength of EU-SILC over other official sources of poverty data is its longitudinal component, which provides crucial information for policy development. In

particular, it can be used to explore how, when and for how long people move into and out of poverty.

Limitations

As a survey based source, EU-SILC shares the same limitations as the HBAI and SLC.

There are also some limitations relating to the international dimension of EU-SILC. EU-SILC is harmonised in terms of variables and concepts but the means of data collection are more loosely specified. Some countries collect data via household surveys, whilst others collect information via administrative sources. Additionally, there may be variation between countries due to translation issues with the questionnaire, or culturally-based differences. The need to specify a framework for classifying income that is consistent across countries means that the benefit income variables made available to researchers are grouped into streams such as old-age benefits, rather than classified as the individual benefits themselves.

A further limitation is the time lag, there is currently a 9 month lag from reference period to publication of cross-sectional indicators and a 15 month lag for longitudinal indicators.

With the UK's exit from the EU, a subsequent and significant limitation of EU-SILC is that the UK no longer provide statistics to the Eurostat, thus ending the time series and opportunity for direct comparisons with EU countries. However, much of this data is still collected through the HBAI and SLC, and is available through the UK Data Service.

Relevant Data Sources & Publications

The data is used to produce a range of statistical articles which form the Eurostat's publication 'Living conditions in Europe' including poverty and social exclusion; income deprivation and income inequality; and material deprivation and economic strain. In addition, more detailed analysis of EU-SILC is frequently published by the European Commission.

Data relating to the Republic of Ireland is also available via the EU-SILC. This is collected solely through Ireland's Survey of Income and Living Conditions Survey.

A hand in a light-colored sleeve is shown holding a document, with a filing cabinet in the background. The entire image is overlaid with a semi-transparent purple filter. The text is centered in white, bold font.

4. Sources of Poverty Data – Administrative

Data Linkage

Many of the leading indicators on income-based poverty rely on social surveys such as DWP's Family Resources Survey and ONS's Survey of Living Conditions. Whilst there are many advantages to the survey-based approach, there is untapped potential within administrative data to further augment and improve existing income-based poverty statistics. One area of potential is the use of linked administrative data to improve the timeliness of income-based poverty statistics. The household income surveys underpinning these statistics are produced annually and can be lagged by up to 15 months from the reference period.

With the growing availability of administrative data for research purposes, researchers have the opportunity to link together multiple sources of data over multiple years, and hence to design and implement their own, more sophisticated measures of social disadvantage, free from the operational constraints facing policy makers. They have the opportunity to exploit longitudinal information on individuals rather than rely solely on cross-sectional data, and to combine information from different domains to identify social disadvantage with greater accuracy.

The Administrative Data Research UK (ADR UK) is a partnership transforming access to linked administrative data for researchers. It comprises of three national partnerships (ADR Scotland, ADR Wales, and ADR NI) and the Office for National Statistics, coordinated by a UK-wide Strategic Hub. The ADR UK aims to explore important cross-cutting research questions using and promoting linked administrative data. In particular, ADR NI has a range of datasets which may facilitate poverty research to be carried out, such as the Earnings and Employee Study which links together variables from the Annual Survey of Hours and Earnings 2011 with variables from the Census of Population and Housing 2011.

4.1 Cross Government Administrative Data

Data type: Administrative

Producer: Department for Communities

Frequency: Biennial at present with potential to become annual

Coverage: Northern Ireland

Overview

The Cross Government Administrative Data was developed by the Department for Communities by linking administrative data from the HM Revenue and Customs as well as the Social Security Benefits System and Department for Work and Pensions to create a picture of household income in Northern Ireland.

Coverage

Data pertains to Northern Ireland and its lower geographic levels including Local Government District and Super Output Area.

Reporting occurs at an annual income level. The Cross Government Administrative Data currently represents the 2017/18 tax year, however the compilation of a 2019/20 dataset is underway.

Dataset Access

The dataset is not publically available.

Topics

The Cross Government Administrative Data contains income from:

- Employment
- Self-assessment (including self-employment and investment)
- Occupational pensions
- Social security benefits
- Tax credits
- Savings

It does not however include information on loans, expenditure or housing costs.

Main Uses & Poverty Analysis

The Cross Government Administrative Data is data rich and can have multiple uses. It has been used to inform benefit uptake, in particular pension credit. However, of more pertinence is its use in the assessment of poverty levels.

With the inclusion of savings, Cross Government Administrative Data goes beyond conventional metrics that look only at incomes and renders it more comprehensive by accounting for the positive impact of savings on alleviating immediate poverty.

Cross Government Administrative Data is of particular use in creating a spatial ranking of areas. It was included as an indicator for the Income Deprivation Domain in the Northern Ireland Multiple Deprivation Measure 2017.

Strengths

The income data complements existing official statistics on household income, with the added benefit of providing greater granularity. In particular, a key strength of the Cross Government Administrative Data is the low level of geography at which the data can be provided, including Local Government District and Super Output Area. Therefore, it allows subtleties in areas of poverty to be explored. Analysis is also possible within demographic groups, such as age bands.

The data undergoes extensive quality assurance, in addition to the processes already in place to ensure the quality of the various data sources being linked. This includes examination of the income distribution to ensure it is in alignment with FRS data.

Limitations

Despite being based on administrative data, there is a time lag of between one to two years from reference period to completion of the dataset.

The Cross Government Administrative Data does not include information on loans, expenditure or housing costs. There are other known data gaps, such as self-assessed income relating to assets (such as landlord/rental income) and information on private pensions. This may result in an underestimation of an individual's income. Furthermore, no information relating to tenure is available.

Section 75 data is not collected through HMRC or benefit administrative systems, with the exception of gender and age.

Relevant Data Sources & Publications

A related data source is the Admin-Based Income Statistics (ABIS) produced by ONS for England and Wales for 2015/16. They bring together the following five administrative datasets on Pay As You Earn income and benefits to derive estimates of net and gross income for each individual.

- HM Revenue and Customs tax credit data
- HMRC's PAYE data
- DWP's National Benefits Database
- DWP's Single Housing Benefit Extract
- HMRC's Child Benefit data (new in the 2017 publication)

There a number of limitations to ABIS. Coverage in the income data is low for young people (16 to 20 years), but from 25 years onwards over 90% of individuals have some income information in ABIS. Also, it does not include the following components of gross income:

- Income (earnings and pensions) from an employer not paid through PAYE
- Investment income, including income from property, dividends and interest from Individual Savings Accounts and other saving accounts, bonds, stocks and shares
- Some state support benefits including Universal Credit and Personal Independence Payment
- Current transfers, for example, parental contributions, child maintenance payments and educational grants

The ABIS are defined as experimental, because both the income measure and coverage are currently incomplete; therefore, these statistics have limited use for decision-making. They should not be used as an indicator of poverty or living standards. Rather they are published to demonstrate the potential to produce small area income statistics from administrative data and allow some interim evaluation to be made. They also allow some comparisons of administrative data-based estimates with other survey-based household income statistics such as Households Below Average Income.

4.2 Children in Low Income Families' Local Area Statistics

Data type: Administrative

Producer: Department for Work and Pensions

Frequency: Annual

Coverage: UK, although Northern Ireland data is temporarily limited

Overview

The children in low income families (CiLIF) statistics, provide information on the number and proportion of children living in relative and absolute low income before housing costs by local area across the United Kingdom.

These replace earlier Official Statistics previously published by the Department for Work and Pensions (DWP) 'Children in out-of-work benefit households' and HM Revenue & Customs (HMRC) 'Children in low income families local measure'. With the rollout of Universal Credit and the Higher Income Child Benefit charge, neither measure provided an accurate view of children in low income families at a local level. In March 2020, DWP and HMRC produced a new joint-release on children in low income families at a local area level. These statistics bring together administrative data from HMRC and DWP on benefits and child tax credits, which is then combined with survey data from the Households Below Average Income (HBAI) to provide a more granular picture of low income amongst families with children at a local area level. From 2021, this release is now solely produced by DWP and was updated to include Northern Ireland.

The statistics are derived from the Registration and Population Interaction Database (RAPID), which provides a single coherent view of citizens' interactions with DWP and HMRC within a tax year.

Coverage

The extension of RAPID to Northern Ireland in 2020/21 means that coverage of the statistics is now for the whole of the United Kingdom.

Figures are calibrated to the HBAI survey regional estimates but provide more granular local area information not available from the HBAI. Thus, a range of geographical breakdowns are available including Super Output Area, Parliamentary Constituency, Ward, Local Authority, Region, Country and National.

Statistics on the number of children in low income families are produced annually with those from financial year ending 2015 to 2020 currently published. Limitations in the coverage of RAPID mean that earlier statistics using this methodology are not available.

Dataset Access

Statistics on the number of children (by age) and the proportion of children under 16, in low income families each year are available on DWP's online tabulation tool Stat-Xplore.

Topics

CiLiF provides counts and percentages of children, before housing costs, for both the relative and absolute measures by:

- Geography, including:
 - Local Authority
 - Parliamentary Constituency
 - Ward
 - Middle Super Output Area
- Year (2014/15 to 2019/20)
- Age of child
- Gender of child
- Family type
- Work status of the family

Main Uses & Poverty Analysis

The fundamental use of this administrative data is to provide a measure of child poverty at a local level. It is used widely to understand how low income varies within and across small areas.

It meets the demand from users such as local authorities for local estimates as the HBAI, sourced from survey data, provides estimates of children in low income families only at national and regional levels.

Strengths

CiLiF is designed to provide local area insights for small geographical areas. The data offers a consistent view of the number of children in low income families over the past 6 years. Statistics are available for individual ages of children 0 to 19 and, where possible, rates are calculated for children under 16.

The statistics are calibrated to HBAI estimates at regional level and by work status. Thus, the figures are consistent with the 3-year average HBAI published estimates of children in low income families at national and regional level.

The methodology underpinning these new statistics addresses three of the key limitations of the previous official statistics, DWP's Children in out-of-work benefit households and HMRC's Children in low income families local measure:

- Inclusion of Universal Credit claimants transitioning from Tax Credits
- Calibration to HBAI estimates at regional level and by work-status

- Calculation of rates for under 16s, using Office for National Statistics mid-year population estimates rather than Child Benefit claims which no longer provide a useable proxy given the Higher Income Child Benefit charge

In 2020, the experimental statistics label was replaced by Official Statistics status. This means that the statistics meet the high standards of trustworthiness, quality and public value and comply with the Code of Practise.

RAPID is based on 100% extracts of various DWP benefit systems and is supplemented with 100% data extracts from HMRC systems. RAPID collates information on individual activities (and the income generated from those activities) within each tax year, including all benefit, employment and in-work benefit interactions, for example tax credits and housing benefit. Children are identified from HMRC Child Benefit scans.

Limitations

At present, DWP are unable to calculate under 16 children in low income as a proportion of all under 16 children for each of the wards in Northern Ireland. This is due to child population counts not being available at ward level in NI. Existing population estimates are based on historic wards, which do not align to current geographies. Without a suitable denominator, DWP are unable to publish ward rates. However, these population counts will be available annually from 2023 onwards and the rates could then be produced in line with the rest of the UK. Therefore, at present, the use of CiLiF rates in NI is limited to only Local Authority and Parliamentary Constituency; and meaningful comparisons are unable to be made between wards using only the number of children in low income.

Limitations in the coverage of RAPID mean that statistics using this methodology prior to 2014/15 are not available. In addition, figures for the latest year, 2020/21 are provisional as some self-employment data from the previous year was used as a proxy to fill in gaps in timely recording.

Relevant Data Sources & Publications

The 'End Child Poverty' figures are calculated by academics at the Centre for Research in Social Policy at Loughborough University. They have recently changed their methodology, to account for complications in estimation that come with the introduction of Universal Credit. They have developed a 'small area estimation' approach, using the ONS Labour Force Survey along with administrative data to consider the relationship between the risk of poverty for households in the survey and the socioeconomic and demographic characteristics of their area. In other words, these are credible estimates of relative low income child poverty in each area but may not be accurate for each area. Estimates for 2018/19 are published on the End Child Poverty website with figures for local authorities, constituencies, and wards, AHC and BHC. However, these figures are only available for GB.

4.3 Small Area Income Estimates

Data type: Administrative

Producer: Office for National Statistics

Frequency: Biennial

Coverage: England and Wales

Overview

The Small Area Income Estimates (SAIE) are produced biennially by the Office for National Statistics (ONS) and provide the average household income for small areas within England and Wales. It is the income a household receives from wages and salaries, self-employment, benefits, pensions and investments. These estimates are produced at the Middle Layer Super Output Area (MSOA).

The method for producing the estimates involves combining data from the Family Resources Survey (FRS), with relevant administrative data sources (including benefit claimant counts, council tax bandings and tax credit claims). ONS produces a model which describes the relationship between the survey and administrative data. It then applies this relationship to the administrative sources at the small area level to produce estimates of weekly household income. ONS constrains the regional income estimates to the equivalent FRS regional statistics. The FRS was chosen as the source for survey data for this study as it is the survey with the largest sample that includes suitable questions on income.

This modelling methodology enables survey data from the FRS to be combined with census and administrative data to improve the quality of estimates at the small area level. This technique is used when survey data alone are insufficient to produce accurate estimates of income in smaller geographical areas. At the level of these areas, sample survey sources often do not have sufficient sample size and it is therefore necessary to combine survey data with other data sources known as auxiliary data or covariates. The auxiliary data, which can be obtained from an administrative system or a previous census, can provide data on a small area basis for all areas within the target population.

Coverage

The Small Area Income Estimates are the official estimates of household income at the Middle Layer Super Output Area level in England and Wales, produced by ONS biennially.

ONS first published the mean household income estimates for small areas in 2003, presenting the statistics for income in 1998/99 at ward level. It produced the 2001/02 income estimates also at ward level. The geography classification was changed to MSOA level for the income estimates produced thereafter in line with changes to the ONS geography policy. The most recent figures are for 2017/18.

The geographical coverage is England and Wales. There is no national or international legal requirement to produce these statistics. ONS do not produce equivalent figures for Scotland or Northern Ireland, however such statistics could be calculated but would be specific to these countries, using their Census geographies and covariate information (from Census or administrative sources), and would not be directly comparable with figures for England and Wales.

Dataset Access

The dataset is available on the ONS website.

Topics

The small area income estimates are produced for four different income types:

- gross (total) annual household income (unequalised)
- disposable (net) annual household income (unequalised)
- disposable (net) annual household income (equalised) before housing costs
- disposable (net) annual household income (equalised) after housing costs

Main Uses & Poverty Analysis

The Small Area Income Estimates are designated National Statistics, which are calculated using a model-based method to produce four estimates of income. The main statistical output from SAIE is a data table containing mean income estimates for MSOAs along with associated confidence intervals. It is possible to use these estimates to rank local areas in terms of their average household income, but care needs to be taken when doing so and the variability of the estimates should be taken into account.

ONS produces SAIE to meet growing interest in income estimates at a local level, to support profiling of geographical areas and identification of disadvantaged communities, since the Census does not ask about income. Local government bodies use the estimates to support service planning and delivery, such as for adult social services. The estimates are used in central government for policy development and monitoring, particularly related to poverty; by researchers in health and socio-economic analyses; and members of the public to find out about local levels of income.

Strengths

The main strength of small area income estimates is the low level of geography at which the data are provided. There is currently no other source of income data that can produce estimates at such a low geographical level.

ONS has developed income statistics by combining the strengths of survey data with the small area detail of administrative and census data. The modelling of small area income estimates is an early example of developments in the use of administrative data.

Limitations

A limitation of the small area income estimates is the measure of central tendency produced by the models, which is the mean household income. This measure does not provide an indication of the distribution of income within or between areas, which is a limitation because some areas have a more skewed distribution (with a small number of households having very high income) than others. ONS are working on a new method of modelling MSOA level income, which can produce an estimate of the median household income and therefore an understanding of the distribution of income within MSOAs.

These estimates do not enable direct comparisons of income over time. Each time a new set of estimates is produced, a different model is used, therefore any two sets of estimates do not form a time series.

Care should be taken when drawing conclusions and making comparisons as each estimate includes standard errors. The MSOA level estimates can be aggregated to provide income estimates for larger geographical areas such as local authorities or regions. However, this method is approximate and does not provide confidence intervals, so it is not possible to assess the precision of the aggregated estimates.

The statistics are untimely with a three year lag from reference period to publication date.

Coverages does not include Scotland and Northern Ireland.

Relevant Data Sources & Publications

Small Area Income Estimates were also produced in 2017 for Scotland by Heriot-Watt University using similar methodology, however they are currently classed as experimental statistics.

4.4 Deprivation Measures

Data type: Administrative

Producer: Statistical Departments of the Devolved Governments including the Northern Ireland Statistics and Research Agency

Frequency: Approximately 3-5 years

Coverage: Northern Ireland, England, Wales and Scotland

Overview

Indices of multiple deprivation are widely used datasets within the UK to classify the relative deprivation of small areas. Multiple components of deprivation are weighted with different strengths and compiled into a single score of deprivation. The calculation and publication of the indices is devolved and indices of multiple deprivation for Northern Ireland, England, Wales and Scotland are calculated separately. While the components of deprivation that make up the overall deprivation score are similar in all four nations of the UK, the weights assigned to each component, the size of the geographies for which deprivation scores are calculated, and the years of calculation are different.

In particular, the latest iteration of the Northern Ireland Multiple Deprivation Measure (NIMDM) was published in 2017. It provides information for seven distinct types of deprivation, known as domains, along with an overall multiple deprivation measure comprising a weighted combination of the seven domains. The NIMDM 2017 is based on 38 indicators that consider the aggregate characteristics of the people living in an area as well as, in some cases, the characteristics of the area itself.

The NIMDM 2017 provides an area based spatial measure of relative deprivation for small areas within NI. The majority of results are presented at the Super Output Area geography. It provides a mechanism for ranking areas within Northern Ireland in the order of the most deprived to the least deprived.

Coverage

Each of the four countries in the UK produce indices of deprivation for their respective areas. The principle approach is similar, however there are differences in the detailed methodology between each of the outputs. As a result, levels of deprivation cannot be easily compared between nations.

The Northern Ireland Statistics and Research Agency released the NIMDM 2017 in November 2017, replacing the NIMDM 2010 as the official measure of deprivation in Northern Ireland. Previous NIMDMs were also published in 2005 and 2001.

Super Output Area is the main output geography of the Multiple Deprivation Measure in Northern Ireland. However, additional statistics on deprivation were released for Small Areas to allow the identification of smaller pockets of deprivation than the results for Super Output Areas (on average, SOAs can be split into five Small Areas). NIMDM 2017 is available at a range of other geographies including Local Government Districts, Assembly Areas, Health and Social Care Trusts, Wards, District Electoral Areas and Neighbourhood Renewal Areas.

Dataset Access

The datasets for the Northern Ireland Multiple Deprivation Measure 2017, Scottish Index of Multiple Deprivation 2020, English Indices of Deprivation 2019 and Welsh Index of Multiple Deprivation 2019 are available on the data.gov.uk website.

Topics

The NIMDM 2017 consists of 38 indicators from administrative sources. These relate to the following seven distinct types of deprivation, which are weighted as detailed below, and combined to produce an overall multiple deprivation measure for each area.

- Income Deprivation (25%)
- Employment Deprivation (25%)
- Health Deprivation and Disability (15%)
- Education, Skills and Training Deprivation (15%)
- Access to Services (10%)
- Living Environment (5%)
- Crime and Disorder (5%)

In particular, the purpose of the Income Deprivation Domain is to identify the proportion of the population on low income at the small area level. It consists of one indicator 'The proportion of the population living in households whose equivalised income is below 60 per cent of the NI median'. This is sourced from Cross Government Administrative Data, which uses administrative data for 2015/16 from HM Revenue and Customs as well as the Social Security Benefits System and Department for Work and Pensions.

Main Uses & Poverty Analysis

For each individual domain of deprivation and the overall NIMDM, the rankings can be used to:

- Explore the relative deprivation of small geographical areas by comparing them with each other.
- Explore which small geographical areas are the most or least deprived.
- Examine the spatial distribution of small geographical areas that are the most or least deprived, however defined.
- Explore which small geographical areas have joined, left or remained in the most or least deprived areas over time.

This can be done for Northern Ireland as a whole, or for each individual Local Government District or for other large geographies.

Indices of Deprivation are designed to identify small area deprivation and so assist in the development of more targeted policies and better informed funding allocation. Deprivation can be defined as the consequence of a lack of income and other resources, which cumulatively can be seen as living in poverty. The relative deprivation approach to poverty examines the indicators of deprivation, these can then be related back to income levels and resources.

The income deprivation indicator is strongly aligned to the accepted definition of relative poverty, except that it uses the NI median income from the dataset of around 700,000 NI households rather than the UK median income from a UK wide survey of 20,000 households. Household incomes have been equivalised to take into account variations in the size and composition of the households in which individuals live. Therefore, the income domain is of importance in poverty analysis at a range of geographic levels. In particular, the availability of the income deprivation domain at Small Area level (each containing approximately 400 people) allows small pockets of income deprivation to be highlighted.

Supporting information has also been produced in respect of income deprivation affecting children (i.e. those aged 15 and under) and older people (i.e. those aged 65 and over) showing the proportion of those living in low income households by area.

Strengths

The use of Multiple Deprivation Measures (MDMs) in analysis aims to balance the desire for a single number describing the concept of deprivation in a place and the recognition that deprivation has many interacting components. MDMs may be an improvement over simpler measures of deprivation such as low average household disposable income because they capture variables such as the advantage of access to a good school and the disadvantage of exposure to high levels of air pollution. Furthermore, the MDMs are widely used with a high level of public awareness and understanding of the measures. Each publication of revised measures is accompanied with detailed guidance and workshops.

One of the main improvements in the updated NIMDM 2017 was the availability of household income data via Cross Government Administrative Data. Until then, income deprivation in the Multiple Deprivation Measure had been approximated by whether someone in the household was in receipt of means tested social security benefits. This remains the case in the most recent editions of the Indices of Multiple Deprivation in England, Wales and Scotland. From the earliest deprivation measures, it was stated that “an ideal indicator of income deprivation would be the proportion of households below a particular low income threshold” (Social Disadvantage Research Centre (2001), ‘Measures of Deprivation in Northern Ireland’, University of Oxford).

The main strength of the income deprivation measure is the low level of geography at which the data is provided, namely Small Areas. Without the power of this administrative data, subtleties in areas of poverty could be overlooked.

Limitations

The NIMDM 2017 cannot be used for:

- Identifying deprived individuals or groups of people – these are area based spatial measures.
- Quantifying the extent to which a small geographical area is deprived – they provide relative rankings of areas.
- Quantifying the extent to which one area is more or less deprived than another – they provide relative rankings of areas.
- Assessing how absolute deprivation in a small geographical area has changed over time – they provide a spatial ranking at a single point in time.
- Measuring affluence – lack of deprivation is not the same as being affluent.
- Undertaking UK comparisons – each UK country has a different set of indicators, time periods, domains and domain weights.

Another limitation of the deprivation measures across each of the four UK countries, is the frequency with which the full index of indicators and ranks are updated. In England, Scotland and Wales they are revised every 3-5 years. However, in Northern Ireland this is only done every 5-7 years.

Relevant Data Sources & Publications

Related data sources include Multiple Deprivation Measures in the rest of the UK, namely:

- English Indices of Deprivation 2019
- Scottish Index of Multiple Deprivation (SIMD) 2020
- Welsh Index of Multiple Deprivation (WIMD) 2019

The Republic of Ireland uses the 2016 Pobal HP Deprivation Index, which draws on data from the 2016 Census of Population. The Pobal HP Deprivation Index measures the relative affluence or disadvantage of a particular geographical area in Ireland, using data compiled from various censuses. Ireland is in a unique position in that it is the only European country that is committed to carry out a Census of Population every five years, and each new wave of data is quickly released. Therefore, unlike other deprivation indices, the Pobal HP Deprivation Index permits the longitudinal study of affluence and deprivation between 2006 and 2016, as well as allowing a precise analysis of relative scores at each census wave.

The Index provides an analysis of the geographical distribution of deprivation and is based on Small Areas which are much more homogeneous in their social composition and have a uniform population size with a mean of just under 100 households. Three dimensions of affluence/disadvantage are identified, including Demographic Profile, Social Class Composition and Labour Market Situation. The measurements look at 10 key indicators across these dimensions, including the proportion of skilled professionals, education levels, employment levels, and single-parent households found in an area.

4.5 Voluntary Organisations

Voluntary organisations that provide a national network of services offering advice, support or material assistance and which compile systematic client/case records can also be a useful source of data on those experiencing poverty. Examples include the Citizens Advice, the Trussell Trust network of foodbanks, Womens Aid network of refuges and allied services, and the Red Cross. These sources can provide additional evidence on scale and geographical distribution (with significant provisos), trends, and socio-demographic profiles, as well as potentially some information on background circumstances. The problems with these sources can include incomplete geographical coverage, partly because other agencies may be involved in providing similar services (e.g. advice, food aid), and inflexible database forms which render analysis problematic. In practice, these sources may be mainly used to provide additional supporting material on trends and profiles.

The Trussell Trust

The use of food banks is associated with material poverty. The Trussell Trust is the largest network of foodbanks in the UK. They produce and publish data on their food bank usage on a biannual basis, with data from 2014/15 onwards available on their website (data prior to this can be requested). The data provides the number of emergency food parcels given by the food banks in the Trussell Trust Network with breakdowns available for adults and children. Figures are available by UK, country (including Northern Ireland), region and also local authority.

However, the statistics are a measure of volume rather than unique users. The data is collected using an online system into which food banks enter data from each food bank voucher, and the number of emergency food supplies is recorded. Furthermore, there are a wide range of caveats to the data including:

- Trussell Trust figures cannot be used to fully explain the scale of food bank use across the UK, because their figures relate to food banks in the Trussell Trust Network and not to the hundreds of independent food aid providers and community groups also providing support.
- Parcels refer to the number of emergency food parcels distributed by food banks. These can provide either three-days' or seven-days' worth of supplies. No equivalisation has taken place to scale seven-day parcels down to three.
- Comparisons in the growth in food parcel distribution between areas should be made with caution. There are many different factors that may influence the number of parcels distributed within a local area. E.g. prevalence of other food banks, changes to the unemployment rates, food banks opening or closing distribution centres.

Citizens Advice

The Citizens Advice produce advice trends, containing Citizens Advice data from over 600 offices and 1,800 outreach locations across England and Wales. The data is updated every month and was designed primarily to help government departments find out more about the problems people come to Citizens Advice with. The service identifies links between issues and

provides anonymous demographics about people using Citizens Advice. It also contains information about the number of page views of individual advice pages on their website.

All available service trends can be found in a Tableau repository on the Citizen Advice website. There is no function to download raw datasets. The repository allows researchers to explore the data to:

- See the problems people have
- Search by issue, sub-issue and region
- Examine changes over recent months and years

Poverty related issues include advice on benefits and tax credits, Universal Credit, debt, employment, foodbanks, fuel payments etc.

No such data is published in Northern Ireland, however some figures may be available upon request from the relevant advice services.

A glowing lightbulb is centered in the background, with the word "Improve" written in a light, glowing font inside its glass. The lightbulb is illuminated from within, creating a warm glow. The background is a solid, dark purple color.

5. Potential Improvements to Data Sources

5. Potential Improvements to Data Sources

In 2021, income data came under intense scrutiny with the publication of:

- A review of the income-based poverty statistics;
- An income and earnings coherence work plan; and
- Expert panel recommendations for an Anti-Poverty Strategy in Northern Ireland.

These reports have identified a number of potential improvements to income statistics. Subsequently, any changes implemented may have a significant impact on various aspects of the key sources of poverty data.

5.1 The Office for Statistics Regulation's Review of income-based poverty statistics (2021)

In May 2021, the Office for Statistics Regulation (OSR) published its review of income-based poverty statistics to enhance understanding and decision making in this area. The review looks across the spectrum of income-based poverty statistics, as these are the main measures referred to in the public debate on poverty. It focuses on answering three key questions:

- Do the existing statistics help answer the key questions about income-based poverty in society today?
- Do the statistics tell a coherent story about poverty in the UK and provide a comprehensive evidence base to inform decision making on poverty?
- Is there sufficient quality guidance to help individuals understand how and when to use the statistics appropriately?

Based on OSR's conversations with statistics users, and their own observations and research, they concluded that while the existing statistics on income-based poverty provide a good foundation for decision making there are opportunities to improve the evidence base provided by official statistics. Therefore, OSR identified a number of detailed recommendations for producers of poverty statistics around the following key areas:

- Improve the accessibility of language and guidance
- Address data gaps to enhance insight
- Review existing methods and maximise use of administrative data
- Command confidence in the statistics through trustworthy production

In particular, some of the recommendations most pertinent to this study on poverty data sources include:

- The Department for Work and Pensions (DWP) and the Office for National Statistics (ONS) should ensure they are clear about the strengths and limitations of household surveys, particularly with regards to missing groups, and clearly set out the implicit and explicit assumptions that underline them.
- DWP should consider the potential to extend the low income families at a local area level analyses to working-age adults without children and pensioners.
- DWP and ONS, building on existing work to explore the feasibility and potential of social survey and administrative data integration, should explore whether integration can help improve the timeliness and robustness of income-based poverty statistics.

- DWP and ONS should determine the user need for a single data source on household incomes by exploring the feasibility of consolidating the existing social surveys, as part of their existing plans in the new combined Government Statistical Service (GSS) Income and Earnings Coherence Work Plan. This could either be used to inform different publications, or to form the basis of a single set of statistics constructed from a consolidated data source, based on an understanding of user needs.

Furthermore, some of OSR's relevant findings also include:

- The current landscape of income-based poverty statistics is difficult for many to navigate and there is scope for signposting between the different statistics to be improved. A central landing page or guide to sources which outlines the various income-based statistics on poverty and the different purposes they serve, would be helpful.
- Material deprivation is often used as a proxy for understanding the lived experience of poverty, however many users feel the best mechanism for understanding 'lived experience' of poverty is through qualitative research.
- There is untapped potential within administrative data to augment and improve existing income-based poverty statistics. Administrative data could be used to address historical issues with sample-based surveys such as timeliness and benefit-under-reporting.
- Opportunities for data linkage should be maximised and data gaps should be addressed, building on work already underway by the GSS to explore the use of administrative data and its integration with social surveys.
- There remains a substantial role for sample-based surveys in this space to ask the questions that administrative data cannot capture. These include questions on family structure, housing costs, certain sources of income and lived experience. However, there are limitations to these surveys which should be made more visible for less-expert users.
- Household surveys, which underpin most of the income-based poverty statistics, contain a number of data gaps. Users expressed concerns about the exclusion of the homeless and under-coverage of individuals with no recourse to public funds. There is also a lack of robust, granular data on ethnicity or sub-regional breakdowns in the data.
- Household surveys conducted by ONS and DWP also contain some crucial underlying assumptions about the structure of households that may affect interpretation of the statistics. For example, a number of users raised the issue that household surveys assume equal sharing of income, which might result in household members who receive an unequal distribution of income being 'hidden' in the statistics.
- The Social Metrics Commission's recommendations for measuring poverty noted the absence of liquid assets, such as savings, in the existing official statistics on poverty and explored how this affects the data. While wealth and assets are not components of income, the absence of them in income-based poverty measures can lead to households wrongly appearing to be poor, if they report low incomes but have high levels of wealth in the form of assets.

5.2 Government Statistical Service's Income and Earnings Coherence Work Plan (2021)

In the UK, official statistics on income and earnings are produced by three government departments; Office for National Statistics (ONS), Department for Work and Pensions (DWP) and HM Revenue and Customs (HMRC). In addition, there are several other official statistics producers including the Northern Ireland, Scottish and Welsh Governments. This means that understanding the statistical landscape and finding the right statistic for the right purpose can be challenging for users.

A Government Statistical Service (GSS) Income and Earnings Coherence Steering Group was established in 2020, aimed at addressing the coherence and accessibility of income and earnings statistics. The group comprises of statistical leaders across DWP, HMRC and ONS, as well as representatives from the devolved administrations and academia, who are striving to improve the evidence base on income-based poverty, as well as income more broadly. The GSS income and earnings coherence work plan was published in October 2021.

It is their mission to provide high quality statistics, data and insights on income and earnings in the UK. They will use a range of new and existing data sources to meet user needs. This is increasingly important in a rapidly changing political and societal context, where users need better evidence to support decision-making at both national and local levels.

The GSS vision for coherence of income and earnings statistics include:

- Increased use of administrative data will help transform income and earnings statistics.
- The granularity, timeliness and frequency of their statistics will be enhanced.
- Expand the coverage of their statistics and enable better comparisons across groups.
- Work with users to understand the need for themed analysis using data from different sources.
- Align their statistics to recognised international standards and guidelines, where possible.
- Where multiple measures of statistics are produced, clarify why this is so.
- Create new user driven tools to help navigate and understand the statistical landscape.
- Users will be able to easily identify the right statistics for their purposes.
- Engage with the development of the Integrated Data Platform for government which will provide the opportunity to unlock the vast potential of linked data.
- Timely access will be provided to microdata.
- Provide more data on inequalities.
- A transparent approach will ensure that users are kept up to date with improvements and developments.

The GSS work plan is focused on making improvements in five main areas, one of which is the coherence of sources. Some of the relevant initiatives within this area include:

- The GSS Income and Earnings Coherence Steering Group will determine the user need for a single data source on household incomes. If this is desired, then it will provide

the overarching direction, insight and leadership to enable producers to move towards a single, coherent and comprehensive, evidence base for income statistics.

- Explore the feasibility of producing a single set of cross-sectional household income estimates. ONS's cross-sectional income statistics are based on the Household Finances Survey, while DWP's are based on the Family Resources Survey (FRS). The sample boost to the FRS provides new opportunities.
- Explore the feasibility of producing a single set of longitudinal household income statistics. ONS's longitudinal income statistics are based on the Survey of Living Conditions, while DWP's are based on Understanding Society data. These statistics are used to measure persistent low income.
- Continue work to further integrate the Living Cost and Food Survey and the Survey of Living Conditions into the Household Finances Survey.
- Continue to build on the use of admin data in household surveys to improve the quality and granularity of the core household statistics. This includes investigating the use of HMRC's Pay As You Earn Real Time Information data alongside DWP's admin sources. Understand and address the user need for continued access to microdata as the datasets become larger and more sensitive with the addition of administrative data.
- Continue the FRS transformation by developing approaches to integrate a range of administrative data (from DWP and HMRC) into the survey to improve data quality and timeliness. FRS transformation will help reduce under-coverage at the bottom end of the income distribution. This initiative is specifically using admin data for survey variable replacement.
- Continue to improve the completeness and methodology used to produce admin based small area income estimates (both individual and household).
- Publish research into census based household income using admin data (in other words, using a census population base rather than an admin population base).
- Explore and monitor the availability of alternative data sources (such as financial transactions data) which could supplement existing income and earnings data.
- Consider how the sample design of the Household Finances Survey could better capture and represent those at the bottom and the top of the income distribution.
- Review the alignment of income and earnings statistics with international best practice.

5.3 Expert Panel Recommendations for an Anti-Poverty Strategy in Northern Ireland (2021)

The Anti-Poverty Strategy Expert Advisory Panel was appointed in October 2020 and was tasked with preparing a report setting out key recommendations to the Minister for the Department for Communities, about the themes and key actions the Northern Ireland Anti-Poverty Strategy should include and the gaps in provision that it should seek to address. Some of the Panel's recommendations in relation to poverty measurement include:

- In addition to the child and pensioner specific deprivation tables produced as part of the Households Below Average Income series, results should be published for the adult/household items in the Family Resources Survey (FRS).
- The FRS child, pensioner and working age deprivation items should be reviewed in light of criticisms of the 'prevalence' method, the lack of relevance of some items and the poor alignment with international comparators.
- The list of deprivation items should be compatible with those used in the Republic of Ireland so that comparisons can be made with their 'consistent poverty' and 'deprivation rate' measures.
- Severe poverty of families with children should be measured and monitored annually as a combination of very low household income (<40% after housing costs) and the lack of specific adult deprivation and household items.
- There is no survey in NI that gathers information on wealth (unlike Britain and the Republic of Ireland). This should be remedied.
- Annual poverty reporting should include estimates of 'destitution'.
- FRS 'food insecurity' should be measured for children, pensioners, working age adults, different family/household types, protected categories under equality law, and principal economic status.
- To counter the relative invisibility of disabled people within the poverty statistics, disability benefits should be treated as 'unavoidable costs' and excluded from disposable income for the purposes of income poverty calculation.

A hand-drawn lightbulb on a chalkboard. The lightbulb is drawn with a circular outline and several curved lines radiating from it to represent light. Inside the lightbulb is a crumpled piece of yellow paper. A hand is visible at the bottom, holding a white chalk stick and drawing the bottom part of the lightbulb's stem. The background is a dark purple-blue color with faint, light-colored scribbles.

6. Conclusion

6. Conclusion

There are a wide range of producers who make important contributions to the landscape of poverty statistics across the UK and Republic of Ireland. These include official statistical producers comprising government departments, Office for National Statistics, Central Statistics Office, Department for Work and Pensions and HM Revenue and Customs; as well as prominent non-official producers such as Social Metrics Commission, Joseph Rowntree Foundation and various universities.

Consequently, there appears to be numerous and diverse sources of poverty data currently available across the UK and Republic of Ireland. The sources considered in this study include a selection of cross-sectional and longitudinal surveys, secondary analysis and administrative data, each bringing their own strengths and weaknesses to the evidence base on poverty. However, together they provide a comprehensive picture.

This study considered, in detail, 18 data sources pertaining to poverty or household income, with some additional related sources also mentioned. However, three of these do not cover Northern Ireland, namely the Survey on Income and Living Conditions (RoI), Wealth and Assets Survey (GB) and Small Area Income Estimates (GB). Conversely, there are other sources available in NI not included in the study that, whilst not directly poverty related, may still be of interest to users such as the Labour Force Survey; Annual Survey of Hours and Earnings; Northern Ireland Living Costs and Food Survey; and Free School Meal Entitlement.

Each of the sources identified in NI serve an important purpose. However, there are two key surveys providing poverty data in NI namely the Family Resources Survey and the Understanding Society Longitudinal Study, both with good coverage of the province. Administrative data is also being explored and utilised appropriately in NI in line with the UK through the Cross Government Administrative Data and Children in Low Income Families Local Area Statistics. Importantly, each of these key sources permit poverty analysis at NI level.

Northern Ireland appears to be well served with a rich variety of poverty data sources and variables, although may be considered to be lacking in the diversity of longitudinal data which is available elsewhere. The Republic of Ireland has one key comprehensive source, the Survey on Income and Living Conditions, providing both cross-sectional and longitudinal data. However, Great Britain has more available poverty sources than NI, including the Wealth and Assets Survey and Small Area Income Estimates. As would be expected, the UK as a whole provides the greatest volume of poverty data. Although their sources cover each of the four nations, much of the data is only analysed and reported at the UK level such as the Survey on Living Conditions. In particular, whilst sources have been extended to include NI, there is usually limited analysis produced for the province.

Most of the sources available in NI are consistent with the UK in terms of quality, however there may be a few additional limitations particularly around sample sizes. Further boosts to the Family Resources Survey sample in NI may alleviate issues with the feasibility of analysis

by some sub-groups. Similarly, NI would benefit from a boost to the Survey on Living Conditions to address attrition in this longitudinal survey. However, it is recognised that this would require significant additional resources. Some of the limitations for specific sources in NI may be more easily rectified, such as the production of child poverty rates at ward level via the Children in Low Income Families Local Area Statistics, when base numbers of children at this geographic level become available from the latest Census.

In terms of the GB sources which are not available in NI, these would require significant financial commitment to, for example, extend the Wealth and Assets Survey to include NI. Therefore, whilst desirable as there is no survey in the country that gathers information on wealth (unlike GB and the RoI), and recommended by the NI Anti-Poverty Strategy Expert Advisory Panel, this may not be feasible. However, the extension of further administrative data sources to NI, such as Small Area Income Estimates, may be more achievable without the constraints of expensive survey data collection. Particularly as the Office for National Statistics imply that such statistics could be calculated for NI, using their Census geographies and covariate information from Census or administrative sources.

Further considerations to address limitations of some of the data sources in NI include repeating the Poverty and Social Exclusion Living Standards Survey, previously run in NI in 2012 and 2002, therefore if re-run in 2022 would facilitate analysis for another decade. Regarding the NI Multiple Deprivation Measure, whilst the full index of indicators and ranks are only updated every 5 to 7 years, some of the underlying indicators could be updated in the interim, allowing some analysis over time and comparison between areas. This is currently done in Wales and may be an option that could be explored in NI to help alleviate problems caused by the gap in full updates. Also, in order to maximise the insight that can be drawn from the Destitution in the UK study, attempts could be made to produce destitution rates for NI which are comparable with GB by extending the general local authority indicator database used in the analysis to NI.

Furthermore, any changes to income data deriving from the Office for Statistics Regulation's review of the income-based poverty statistics or the Government Statistical Service's income and earnings coherence work plan may generate some improvements for the UK as a whole but also have a significant impact on NI poverty data. For example, if the Children in Low Income Families Local Area analysis was extended to working-age adults without children and pensioners; or social survey and administrative data were integrated to improve the timeliness and robustness of income-based poverty statistics.

'A Scoping Review of the Literature on Poverty in Northern Ireland' report highlighted that there was limited poverty literature pertaining to NI. However, given the wide range and suitable quality of poverty data sources available in NI, perhaps there is simply less of an appetite from researchers to conduct analysis and publish literature focusing solely on NI as opposed to a lack of robust NI data. Although, studies such as this may promote awareness and further maximise insight that can be drawn from the NI poverty sources by presenting what relevant sources are available, including their uses, strengths and limitations.

A stack of approximately 15 books is shown, with the top book open and its pages fanned out. The books are rendered in a semi-transparent, light purple color against a dark purple background. The text '7. Bibliography' is overlaid in white on the middle of the stack.

7. Bibliography

7. Bibliography

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A magnifying glass with a black handle and frame is positioned over a spiral-bound notebook. The notebook page is white with a light blue grid pattern. The word "Annex" is written in a bold, white, sans-serif font in the center of the magnifying glass's lens. The notebook is placed on a dark brown wooden surface with a vertical grain. The entire image has a semi-transparent purple overlay.

Annex

Annex - Summary Table of Sources

Sources of poverty data – Surveys & Primary Analysis							
Source	Producer	Sample	Coverage	Access	Uses	Strengths	Limitations
<p>Family Resources Survey (FRS)</p> <p>Section 2.1 Page 9</p>	<p>Department for Work and Pensions</p> <p>Department for Communities</p>	<p>Cross-sectional household survey.</p> <p>Approximately 20,000 UK households, including 2,000 in NI.</p>	<p>UK coverage.</p> <p>NI specific data.</p> <p>Annual - GB from 1992 and NI from 2002.</p>	<p>UK Data Service</p>	<p>Official source of statistics on household income and poverty.</p> <p>Main source of the DWP's estimates of take-up of income-related benefits.</p>	<p>Long time series of consistent data on the living standards of people across the UK.</p> <p>Comprehensive data source allowing for a wide variety of detailed sub-category analysis.</p> <p>Can be linked across a range of administrative datasets.</p>	<p>Known to under-report benefit receipt when compared with admin data.</p> <p>Does not include residential institutions.</p> <p>Typically a 15 month lag from reference period to publication.</p>
<p>Households Below Average Income (HBAI)</p> <p>Section 2.2 Page 13</p>	<p>Department for Work and Pensions</p> <p>Department for Communities</p>	<p>Derived from the Family Resources Survey.</p> <p>Approximately 20,000 UK households, including 2,000 in NI.</p>	<p>UK coverage.</p> <p>NI specific data.</p> <p>Annual - GB from 1994/95 and NI from 2002.</p>	<p>UK Data Service</p> <p>Stat-Xplore</p>	<p>Key dataset for the analysis of household income, income poverty and inequality.</p> <p>Provides low income indicators for different groups in the population.</p> <p>Allows international comparisons.</p>	<p>Long time series of consistent data on the living standards of people across the UK.</p> <p>HBAI income and poverty figures are considered to be among the most robust available from any source.</p> <p>Contains data about individuals' pay rates, working hours, tax credits, housing costs etc., thus allowing complex analyses.</p>	<p>Known to under-report benefit receipt when compared with admin data.</p> <p>Does not include residential institutions.</p> <p>Typically a 15 month lag from reference period to publication.</p> <p>Analysis on ethnicity is limited due to sample sizes.</p>

Sources of poverty data – Surveys & Primary Analysis							
Source	Producer	Sample	Coverage	Access	Uses	Strengths	Limitations
Poverty and Social Exclusion Living Standards Survey, 2012 (PSE) Section 2.3 Page 17	Lead by University of Bristol	Cross-sectional household survey. Approximately 5,000 UK households, including 1,000 in NI.	UK coverage. NI specific data. Data available for 2002/03 and 2012.	UK Data Service	Explores the extent of and connections between poverty and social exclusion. To compare poverty levels between NI and the Republic of Ireland. To assess the impact of the legacies of the conflict on poverty and social exclusion.	Added to data from the FRS, in particular through a wider range of measures of poverty and deprivation. Interviewed all adults in a household, allowing for differences in levels of deprivation within households, as well as between households, to be measured.	Data is now quite outdated and there are currently no plans to re-run the survey.
Survey on Living Conditions (SLC) Section 2.4 Page 20	Office for National Statistics	Longitudinal household survey. Approximately 12,000 UK households across six waves, including 300 in NI.	UK coverage. Annual - since 2012.	UK Data Service Eurostat website	A key source for measuring poverty and social exclusion in the UK. Longitudinal aspect of the survey allows the measurement of persistent poverty. Previously met an EU requirement for longitudinal statistics on Income and Living Conditions.	It is longitudinal and allows changes in income and poverty status to be monitored across a six year cycle.	As with most longitudinal surveys, attrition reduces the sample size over time. Sample size restricts the feasibility of NI specific analysis.

Sources of poverty data – Surveys & Primary Analysis							
Source	Producer	Sample	Coverage	Access	Uses	Strengths	Limitations
Survey on Income and Living Conditions (SILC) Section 2.5 Page 23	Central Statistics Office, Ireland	Cross-sectional and longitudinal household survey. Approximately 4,200 households across Ireland.	Republic of Ireland coverage. Annual – since 2003.	Central Statistics Office’s Databank	Primary source of data on income in Ireland, providing information on poverty, inequality, well-being and social exclusion. Used by the Eurostat to compare living conditions throughout the EU.	Produces comparable and timely cross-sectional and longitudinal data on income and on the level and composition of poverty and social exclusion at national and European levels. Uses primary micro data sources to complement or replace survey data, to make statistical operations more efficient or to create new insights. The collection period reduced to 6 months to improve timeliness.	The longitudinal sample has not been robust enough to provide reliable estimates of Persistent Poverty and Income Mobility at a national level. Changes in survey processes have resulted in a break in the SILC time series for 2020 onwards.
Effects of Taxes and Benefits on Household Income Section 2.6 Page 27	Office for National Statistics	Derived from the Household Finances Survey, previously the Living Costs and Food Survey. Cross-sectional household survey.	UK coverage. Annual – since 1977.	UK Data Service	Provides quantitative analysis of the effects of government intervention, through taxes and benefits, on the income of private households in the UK, allowing analysis of long-term trends by household type.	Comparable estimates are available back to 1977, allowing analysis of long-term trends. Includes data on expenditure, allowing for joint analysis of income and expenditure.	Typically 15 month lag from reference period to publication. However, from 2013 to 2014, main statistics are available after 11 months. Small sample size in NI at 600 households resulting in low level precision of estimates at this level.

Sources of poverty data – Surveys & Primary Analysis							
Source	Producer	Sample	Coverage	Access	Uses	Strengths	Limitations
		Approximately 16,000 UK households, including 600 in NI.				Uses a number of administrative sources to improve the quality of estimates.	
<p>Understanding Society: the UK Household Longitudinal Study</p> <p>Section 2.7 Page 31</p>	Institute for Social and Economic Research at the University of Essex	<p>Longitudinal panel survey.</p> <p>During wave 11 in 2019/20, approximately 22,000 active households across the UK, including just over 1,000 in NI.</p>	<p>UK coverage.</p> <p>Annual – since 2009.</p> <p>Previously British Household Panel Survey (1991-2009)</p>	UK Data Service	<p>Widely used in poverty analysis, particularly due its longitudinal nature.</p> <p>Collects both objective and subjective indicators, capturing the social and economic circumstances and attitudes of people living in the UK.</p> <p>Used by DWP in Income Dynamics, which includes NI analysis.</p> <p>Used by Social Metrics Commission to measure poverty persistence and lived experience of poverty.</p>	<p>Collects longitudinal income data for individuals and households that can provide a picture of long-term social change.</p> <p>Data can be linked to administrative records from other sources to build a richer picture of households.</p> <p>Sample size permits analysis of small sub groups and allows analysis at country and regional level.</p> <p>Collects data from every adult and child aged 10 or older in the household.</p>	<p>As with most longitudinal surveys, attrition reduces the sample size over time.</p> <p>Given the longitudinal aspect of the study and the wide range of topics included, the datasets are complex and can be difficult to manage and analyse.</p> <p>Small sample sizes for some groups, such as some ethnicity categories despite ethnic minority boost samples.</p>

Sources of poverty data – Surveys & Primary Analysis							
Source	Producer	Sample	Coverage	Access	Uses	Strengths	Limitations
Wealth and Assets Survey Section 2.8 Page 35	Office for National Statistics	Longitudinal survey. During Wave 6 in 2016-18, approximately 16,000 households in GB.	Great Britain, coverage does not extend to NI. Biennial – since 2006.	UK Data Service	Measures the well-being of households and individuals in terms of their assets, savings, debt and planning for retirement. To understand the distribution of assets, debts, and liabilities in GB. To measure changes of wealth in GB over time. Used in analysis of financial resilience/vulnerability.	Detailed coverage of wealth in conjunction with income. Allows consideration of factors other than income when considering economic well-being. Extensive range of related variables available. Longitudinal survey allows life cycle changes to be analysed.	Coverage does not include NI. Self-valuation tends to yield higher estimates of worth than most other property indicators may suggest. Research on wealth and assets tends to focus on inequalities rather than on measures of poverty. Income measures available are only designed to be classificatory and analysed alongside wealth measures.
Minimum Income Standards (MIS) Section 2.9 Page 38	Centre for Research in Social Policy at Loughborough University, on behalf of the Joseph Rowntree Foundation.	Qualitative focus groups. In 2021, 9 groups each comprising of 6 to 8 people were recruited.	UK coverage. Annual – since 2008. In 2020, for the first time focus groups were held in Northern Ireland.	Via the Loughborough University MIS website.	Identifies the level of income required to meet a minimum acceptable standard of living. Reflects current living standards and captures societal changes over time, including variations for urban/rural areas	MIS research is rooted in a tangible account of everyday life, and is able to pick up specific changes as they occur. MIS annual income requirements for each household type are calculated separately, unlike the equivalisation process	MIS is relevant to the discussion of poverty, but does not claim to be a poverty threshold. Difficulty in quantifying the ‘minimum’ cost of housing, therefore meaningful comparisons with the HBAI data is between net MIS budgets and income after housing costs.

Sources of poverty data – Surveys & Primary Analysis							
Source	Producer	Sample	Coverage	Access	Uses	Strengths	Limitations
					<p>and the additional cost of disability.</p> <p>Used to calculate the Living Wage and the cost of a child.</p> <p>Uses FRS data to estimate the number of households in different groups with disposable incomes below MIS.</p>	<p>which uses a standard scale to compare between households of different sizes.</p> <p>CPI looks at average spending patterns across all households, but MIS looks at the cost of a collection of more basic goods and services and does not include 'luxury' items.</p>	

Sources of poverty data – Secondary Analysis							
Source	Producer	Derived From	Coverage	Access	Uses	Strengths	Limitations
<p>Income Dynamics</p> <p>Section 3.1</p> <p>Page 43</p>	Department for Work and Pensions	Understanding Society longitudinal survey	<p>UK coverage.</p> <p>NI specific data.</p> <p>Annual - data available from 2015/16.</p>	<p>Microdata not publicly available.</p> <p>Supporting tables published alongside annual report on DWP website.</p>	<p>Supplements the HBAI series, providing information on the persistence of low income for various population groups and changes in income over time.</p> <p>Provides estimates of mobility across the income distribution, including low income entry and exit rates.</p>	<p>Provides a longitudinal perspective on low income statistics and fills an important gap that emerges if low income statistics are only considered on a cross-sectional basis.</p> <p>Range of geographical breakdowns available, including regional.</p>	<p>Same limitations as the Understanding Society survey.</p> <p>Attrition affects Income Dynamics to a greater extent, as individuals who do not respond to the survey for all four relevant consecutive waves are excluded from the analysis.</p> <p>Missing data for income variables used in the analysis also reduces sample size.</p>

Sources of poverty data – Secondary Analysis							
Source	Producer	Derived From	Coverage	Access	Uses	Strengths	Limitations
<p>Social Metrics Commission</p> <p>Section 3.2 Page 47</p>	Social Metrics Commission	<p>Households Below Average Income</p> <p>Understanding Society longitudinal survey</p>	<p>UK coverage.</p> <p>NI specific data.</p> <p>Annual - since 2018.</p>	Code underlying the SMC's measure of poverty is available via SMC website.	<p>New approach to poverty measurement that reflects the nature and experiences of poverty that different families in the UK have.</p> <p>Considers the depth and persistence of poverty as well as the wider factors that can impact on the lives of people in poverty.</p> <p>As well as measuring the incidence of poverty, the broader measurement framework provides a deeper understanding of the factors that affect the experience of poverty, influence the future likelihood of poverty, or are consequences that flow from being in poverty.</p>	<p>Accounts for the negative impact on people's weekly income of inescapable costs such as childcare and disability.</p> <p>Goes beyond conventional metrics that look only at incomes by also accounting for the positive impact of liquid assets on alleviating immediate poverty, such as savings, stocks, and shares.</p> <p>Attempts to include groups of people previously omitted from poverty statistics, like those living on the streets and those in overcrowded housing.</p> <p>Allows for intra-household differences in living standards through the creation of a new measure, the 'Sharing Unit'.</p>	<p>The experience of poverty can be complex and therefore difficult to capture through contextual indicators.</p> <p>Creating a new measure of poverty is only the start of what needs to happen and requires support to develop an Experimental Statistic.</p> <p>Requires improved survey and administrative data, particularly on debt and the costs of social care; and also a more comprehensive approach to capturing the extra costs of disability.</p>

Sources of poverty data – Secondary Analysis							
Source	Producer	Derived From	Coverage	Access	Uses	Strengths	Limitations
Destitution in the UK Section 3.3 Page 52	Heriot-Watt University on behalf of the Joseph Rowntree Foundation	Mixed methods including: - Quantitative survey of users of crisis services. - Qualitative interviews with a sample of those considered destitute. - Secondary analysis of numerous quantitative datasets.	UK coverage. Biennial – since 2016.	Access to data is not available. Findings provided in published reports.	Aims to address lack of quantitative evidence on the causes, scale, trends and distribution of destitution. Provides destitution rates in the UK and by region (excluding NI). Profile of those affected by destitution by household type, age group, income levels, living arrangements etc.	Provides robust statistical and qualitative data on hidden and hard-to-reach groups. Unlike many of the other poverty data sources, the study utilises qualitative research methods to explore the experiences of, and impacts on, the people directly affected by destitution.	Destitution rates in NI are not comparable with those for GB and are not published but instead only used to estimate destitution across the whole of the UK. Underlying assumption of the study is that people in a situation of destitution will seek out assistance from time to time. If not, the estimates will be on the low side. Difficult to measure change in destitution over time.
European Union Statistics on Income and Living Conditions Section 3.4 Page 56	Eurostat (the statistical office of the European Union).	Households Below Average Income (cross-sectional element) Survey on Living Conditions (longitudinal element)	27 EU countries as well as Iceland, Norway, Switzerland and the UK. Annual – from 2009 to 2018 in the UK.	Eurostat website	Provides internationally comparative statistics on income, poverty, social exclusion and living conditions across the EU.	Time series data available. Indicators broken down by a number of categories. Longitudinal data, allowing analysis of income and labour market dynamics.	Shares the same limitations as the HBAI and SLC. UK no longer provide data to Eurostat following their exit from the EU. Currently a 9 month lag from reference period to publication of cross-sectional indicators and a 15 month lag for longitudinal indicators.

Sources of poverty data – Administrative

Source	Producer	Derived From	Coverage	Access	Uses	Strengths	Limitations
<p>Cross Government Administrative Data</p> <p>Section 4.1 Page 61</p>	Department for Communities	<p>HM Revenue and Customs</p> <p>Social Security Benefits System</p> <p>Department for Work and Pensions</p>	<p>Northern Ireland</p> <p>Biennial – since 2013/14.</p>	Dataset is not publically available.	<p>Contains income from employment, self-assessment, occupational pensions, social security benefits, tax credits and savings.</p> <p>To inform benefit uptake.</p> <p>Creating a spatial ranking of areas for income deprivation in the NI Multiple Deprivation Measure 2017.</p>	<p>Goes beyond conventional metrics that look only at incomes by accounting for the positive impact of savings on alleviating immediate poverty.</p> <p>Provides greater granularity than other sources. Data available at low geographical levels including Local Government District and Super Output Area.</p>	<p>Time lag of between one to two years from reference period to completion of the dataset.</p> <p>There are known data gaps such as assets and private pensions.</p> <p>Data does not include information on loans, expenditure or housing costs.</p> <p>Analysis is not possible by key demographic characteristics.</p>
<p>Children in Low Income Families' Local Area Statistics</p> <p>Section 4.2 Page 64</p>	Department for Work and Pensions	Registration and Population Interaction Database (RAPID)	<p>UK coverage.</p> <p>Annual – since 2020. However, data available for 2014/15 onwards.</p>	Stat-Xplore	Provides a measure of child poverty at a local level across the UK.	<p>Provides local area insights down to ward level.</p> <p>Statistics are calibrated to HBAI estimates at a regional level.</p>	<p>Rates of child poverty are not available in NI at ward level until 2023.</p> <p>Limitations in the coverage of RAPID mean that statistics prior to 2014/15 are not available.</p>
<p>Small Area Income Estimates</p> <p>Section 4.3 Page 67</p>	Office for National Statistics (ONS)	A model based method using the Family Resources Survey, Census	<p>England and Wales</p> <p>Biennial – since 2003.</p>	Via the ONS website.	Provides the average household income for small areas within England and Wales.	<p>Provides figures at low geographical level.</p> <p>Combines the strengths of survey data with the</p>	<p>Coverage does not include Scotland and NI.</p> <p>Care should be taken when drawing</p>

Sources of poverty data – Administrative							
Source	Producer	Derived From	Coverage	Access	Uses	Strengths	Limitations
		data and a number of administrative sources.			Supports profiling of geographical areas and identification of disadvantaged communities.	small area detail of administrative and census data.	<p>conclusions and making comparisons as each estimate includes standard errors.</p> <p>These estimates do not enable direct comparisons of income over time as a different model is used each time.</p> <p>Currently a 3 year lag from reference period to publication date.</p>
<p>Deprivation Measures</p> <p>Section 4.4 Page 70</p>	<p>Statistical Departments of the Devolved Governments.</p> <p>Northern Ireland Statistics and Research Agency in NI.</p>	<p>Numerous indicators considering the aggregate characteristics of the people living in an area as well as the characteristics of the area itself.</p>	<p>Northern Ireland</p> <p>England</p> <p>Wales</p> <p>Scotland</p> <p>Approximately 3-5 years.</p>	<p>Via the data.gov.uk website</p>	<p>Provides an area based spatial measure of relative deprivation for small areas which can be ranked.</p> <p>Identifies small area deprivation and so assists in it the development of targeted policies and better informed funding allocation.</p>	<p>Balances the desire for a single number describing the concept of deprivation in a place and the recognition that deprivation has many interacting components.</p> <p>Measures are widely used with a high level of public awareness and understanding.</p> <p>In NI, the income deprivation indicator is strongly aligned to the</p>	<p>Measures are only updated every 3-5 years or longer in NI.</p> <p>Cannot identify deprived individuals or groups of people as these are area based spatial measures.</p> <p>Cannot quantify the extent to which a small geographical area is deprived.</p> <p>Cannot quantify the extent to which one area is more or less deprived than another.</p>

Sources of poverty data – Administrative							
Source	Producer	Derived From	Coverage	Access	Uses	Strengths	Limitations
						accepted definition of relative poverty.	<p>Cannot assess how absolute deprivation in a small geographical area has changed over time.</p> <p>Cannot undertake UK comparisons.</p>

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