

<b>NI 116: Proportion of children in poverty</b>			
<b>Is the data provided by the LA or a local partner?</b>	<b>N</b>	<b>Is this an existing indicator?</b>	<b>N</b>
<b>Rationale</b>	The Government has set itself a challenging target to half the number of children in poverty by 2010-11, and end child poverty by the year 2020. Local Authorities have a key role to play in helping to achieve this ambition. This role includes the delivery of the key public services that are critical to improving poor children's life chances; coordination of activities by key players to reduce worklessness and poverty; the tailoring of solutions to meet needs of local people; and ensuring engagement of individuals and groups at risk of being marginalized.		
<b>Definition</b>	<p><b>The proportion of children who live in families in receipt of out of work benefits and working families whose income is below 60% of the median income.</b></p> <p>The national PSA target to half the number of children in poverty is measured by the number of dependent children who live in households whose equivalised income is below 60% of the contemporary national median.</p> <p>The data for the national indicator is collected through the annual Family Resources Survey. The sample size is not large enough at local authority level; therefore alternative sources of data for an income based measure are being developed for use from April 2009.</p> <p>The new local level measure is the proportion of children who live in families in receipt of out of work benefits and working families whose income is below 60% of the median income.</p> <p>Out of work benefits include: Means-tested Job Seekers Allowance and Income Support</p> <p>Children are defined as individuals under the age of 16.</p> <p>The count of children is established from Child Benefit/Child Tax Credit claims, which cover c98% of children.</p> <p>The source of data for this interim measure is from administrative records from Department of Work and Pensions and HM Revenue and Customs.</p>		
<b>Formula</b>	<p>The percentage of children who are satisfied with parks and play areas is calculated as follows:</p> $\left( \frac{x}{y} \right) \times 100$ <p>where:</p> <p><math>x</math> = number of children in poverty (households receiving out-of-work benefits or in working families with incomes below 60% of the median income)</p> <p><math>y</math> = Total number of children.</p>		
<b>Worked example</b>	$\left( \frac{24,300}{65,200} \right) \times 100 = 37.3\%$	<b>Good performance</b>	Good performance is typified by falling proportion
<b>Collection interval</b>	Annual (in August)	<b>Data Source</b>	DWP and HMRC data services
<b>Return Format</b>	Percentage	<b>Decimal Places</b>	One
<b>Reporting organisation</b>	DWP		
<b>Spatial level</b>	Single tier and county council		

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### Further Guidance

Further information on national PSA measure

The new local measure, which combines low income and workless poverty, replaces the interim measure of the proportion of children who live in families where out of work benefits are received to better reflect the national PSA low income indicator.

Equivalisation of income, weights household income according to the household composition. This process reflects the common sense notion that a family of several people needs a higher income than a single person in order for both households to enjoy a comparable standard of living.

For example:

Three households have the same income (£200/week):

A single person,

A couple

A couple with two children aged fourteen and ten

Equivalisation gives an income of £299 to the single person, £200 to the couple, but only £131 to the couple with children, to account for the differences in their costs.