

CHILD POVERTY (SCOTLAND) ACT 2017

EXPLANATORY NOTES

COMMENTARY ON SECTIONS

Section 5 – Combined low income and material deprivation

15. **Section 5** provides that a child falls within the section (combined low income and material deprivation) in a financial year if the child: (a) lives in a household whose equivalised net income for the year is less than 70% of the median equivalised net household income for the year; and (b) experiences material deprivation in the year.
16. The combined low income and material deprivation target assesses whether households can afford essential goods and services. The Scottish Government uses the questions in the Family Resources Survey about whether people can afford to buy certain items and participate in leisure or social activities¹ to measure material deprivation. This measure is then applied to households with incomes below 70% of the UK median income in the same year. Households which, for example, need to spend a greater proportion of their income on health or education costs, or on servicing debts, are less likely to be able to access the essentials identified on the list of items used for measuring material deprivation.

1 2011 Review of the child material deprivation items in the Family Resources Survey: https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/214520/rrep746.pdf