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The Scottish Parliament
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By email: sjss.committee@parliament.scot

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Dear Convener,

Given the Committee's ongoing interest in child poverty and focus on data within your report on post-legislative scrutiny of the Child Poverty (Scotland) Act 2017 and Pre-Budget Scrutiny 2026-27, I am writing to advise of forthcoming changes to poverty statistics which will take effect from March 2026.

These changes, being implemented by the Department for Work and Pensions (DWP), aim to improve the accuracy and relevance of the data used to monitor poverty in Scotland. We anticipate, once implemented, they will respond to a number of the concerns raised by stakeholders and the Committee including the under-reporting of social security benefits.

As you are aware the Family Resources Survey (FRS) is managed and delivered by DWP, who commission the survey on behalf of the UK. The Scottish Government continue to fund a boost to ensure a representative sample is provided in Scotland, enabling the production of Scotland level statistics.

DWP published the [FRS: release strategy](#) in June this year, setting out their plans for changes and improvements to the survey which will be reflected in statistics across UK nations. While DWP maintain overall responsibility for the survey, Scottish Government analysts have worked closely with DWP to understand the changes and to ensure that our interests are represented.

These changes are important as data from the FRS underpins three of Scotland's four statutory child poverty targets: relative poverty; absolute poverty; and low income and material deprivation. The fourth target, persistent poverty, is derived from the Understanding Society Survey and will not be impacted.

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From March 2026, published statistics for these three measures will reflect the introduction of DWP administrative data. This will see the majority of survey responses for state benefits, including the likes of Universal Credit, replaced with information from administrative records. DWP anticipate this will reduce the underreporting of benefits that is currently seen in the FRS data, as well as reducing the burden for survey respondents.

DWP's current intention is that administrative data will be retrospectively linked to survey responses from 2018-19 onward. They are continuing to process this data and will seek to link as many years of data ahead of the March 2026 publication as possible, with a revised time-series published for each of the three impacted poverty measures. This approach will be mirrored across the UK, and it is therefore likely that poverty rates will differ from those currently reported as a result of these changes. DWP will be publishing an updated release strategy early in the new year to confirm what will be included in the next publication.

While data from Scottish social security benefits will not be linked in the next release, DWP will take steps to make Scotland-specific disability and carers benefits marry up more closely to known caseloads, as well as retaining the agreed imputation methodology for the Scottish Child Payment. It is intended that administrative data from Scottish benefits will be linked from 2027 onward.

Given these changes, DWP will amend the base year used for absolute poverty in its statistical publication – moving it from the current base of 2010-11 to the latest year for which data will be available (2024-25). The Scottish Government will mirror this change in our Poverty and Income Inequality in Scotland publication, so statistics are broadly comparable to the rest of the UK.

For the purposes of the Child Poverty (Scotland) Act 2017, Scottish Ministers will retain the 2010-11 base year for absolute poverty. This will provide a consistent time-series which will be published alongside poverty statistics and reflected within the annual progress report on child poverty. If we return to form the next Scottish Government after the Scottish Parliament elections, it is our intent to reconsider the base year once official statistics are available.

Further phases of FRS improvements being led by DWP are intended to incorporate HMRC data and administrative data from Scottish benefits, alongside changes to the weighting given to different household types, to provide a more representative sample.

DWP continue to research the integration of HMRC PAYE and Self-Assessment data, and I will update the Committee once DWP plans are confirmed. While these changes may further affect measured poverty rates, they are likely to improve the overall quality of the data.

Please do not hesitate to get in touch if you require any further information.

SHIRLEY-ANNE SOMERVILLE

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