

SUBMISSION FROM ONE PARENT FAMILIES SCOTLAND

One Parent Families Scotland (OPFS)

OPFS is Scotland's national, independent lone parent organisation which promotes positive policies & delivers quality services to lone parent families and others facing disadvantage.

There are over 163,000 lone parents with 295,000 children in Scotland (almost 1 in 4 of all families). This will increase to 238,000 in next 20yrs.¹ The biggest issue affecting lone parent families is poverty.

Government welfare reform should give priority to consideration of the important caring role that lone parents undertake and the added difficulties that they face in the workplace juggling work and home life singlehandedly. Proposals to compel lone parents to look for work when their youngest child is 5 yrs & increase **conditionality and sanctions** are unjust & will not be effective. This approach diminishes the unpaid care work that parents and carers carry out and its role in the economy and society. It also risks further distancing those parents who experience multiple disadvantages, and those who want to care full-time for their children when they are young

Both Westminster and Scottish Governments have committed themselves to eradicating child poverty by 2010. We should measure the impact of the Welfare Reform Bill in terms of its contribution to reducing child poverty.

1. What are the biggest concerns / priorities for your organisation in relation to Welfare Reform?

All of Scotland's 163,000 Lone Parents are affected in some in some way by the wide ranging changes to benefits including:

- Universal Credit (Many Lone Parents on low pay will be worse off)
- Conditionality (Requirement to claim JSA & Benefit Penalties if not compliant)
- The Work Programme (Focus on work first / Payment by results)
- Benefits and disability (Medical reassessments/ "Work related activity"/The reform of DLA
- Changes to Child Maintenance (Charging & voluntary arrangements)
- Benefit cuts (Uprating / Housing Benefit cuts)

The aim of making work pay has been questioned. Research by Loughborough University's "Centre for Research in Social Policy", underlines that any improvement in the incentive to increase earnings in work will be fairly limited and for some groups the incentive will be reduced.²

¹ <http://www.gro-scotland.gov.uk/statistics/theme/households/projections/index.html>

² [The Resolution Foundation](#)

A report by the Institute for Fiscal Studies projects child poverty to rise by 800,000 children as a result of the Government's policies.³

Lone mothers will be hardest hit by the government's programme of benefit cuts and tax rises, according to an analysis conducted by the Institute for Fiscal Studies. It estimates they will lose an average 8.5% of their income after tax by 2015. This compared with 6.5% for couples with children and 2.5% for couples without children.⁴ As a result of the changes being introduced between January 2011 and April 2014 non-working lone parents lose more than 12% of their income on average – equivalent to £2,000 per year. Such a steep drop for lone parents is of very real concern; in order to find work they will have to confront the dual challenges of finding a flexible job in a highly uncertain labour market and meeting the costs of childcare.⁵

The Scottish Government Equality Statement on Scottish Spending Review 2011 and Draft Budget 2012-13 states

“Scotland continues to carry deep rooted and structural inequalities which limit opportunities and hold people back. These are evident in labour market participation, income and health .Although more women in Scotland are becoming economically active, single mothers, who are on the lowest incomes, are the poorest qualified, have the weakest financial resilience, and are set to be disproportionately and negatively affected by the UK Government welfare reform measures.”⁶

2. What would your organisation want the Committee's focus to be on?

Key Issues

The Westminster Government argues that welfare reform will bring: simplicity; personalisation; commercialisation; more emphasis on work; and individual responsibility

However if government wants a welfare state which supports families & contributes to eradicating child poverty then any proposals should also: manage complexity; ensure stable incomes; offer cost-effective services; provide social protection & support for the labour market & parents in the labour market.⁷ OPFS doesn't believe the Westminster Governments proposals can meet these criteria.

We hope that the committee will focus on how we can mitigate the worst effects of the Welfare Reform Bill as well as the immediate legislative priorities.

At the centre of the policy focus to mitigate the effects should be the aim of increasing the Disposable Income of our poorest families by:

³ http://www.ifs.org.uk/pr/poverty_pr_1011.pdf

⁴ <http://www.ifs.org.uk/publications/5610>

⁵ http://www.familyandparenting.org/Resources/FPI/Documents/FPI_IFS_Austerity_Jan_2012.pdf

⁶ <http://www.scotland.gov.uk/Resource/Doc/358631/0121236.pdf>

⁷ [Prof-paul-spicker_robert-gordon-university.pdf](http://www.scotland.gov.uk/Resource/Doc/358631/0121236.pdf)

- **Reducing family costs, both in & out of work** by ensuring: lone parents have maximised their income & reduced their debts through accessing free, high quality, independent advice; the provision of free school meals to all primary school children & financial help with school clothing grants which is consistent across all local authorities
- **Increasing parent's ability to earn a living wage** by ensuring lone parents: get support to increase their confidence & self-esteem; have opportunity to improve skills & qualifications; and have access to affordable, high quality flexible childcare.

Key Areas in the Bill affecting Lone Parents:

- **Universal Credit:** -Research by Save the Children shows over 96,000 Scottish working lone parents face being pushed into poverty under the new Universal Credit.⁸
- **Conditionality** – “Out of work” & planned “in work” conditionality will increase demand for devolved services particularly childcare. Lone parents not in paid work, whose youngest child is age five or six are now required to seek employment or face potential cuts to their benefits. At a time when unemployment is high, OPFS believes that this will put unfair and unrealistic pressure on thousands of families and lead to harmful levels of family stress, with consequent effects on health. Most lone parents want to have the opportunity to combine paid work with the vital job of being a parent. The Welfare Reform Bill, however, fails to recognise that the required childcare infrastructure is lacking in many parts of the UK including Scotland – particularly before school starts and after it finishes, and during school holidays – and is insufficient to meet the demands being made upon benefit claimants. Conditionality will also apply to Lone Parents who are working & claiming Universal Credit, who will be told they must earn more or face a sliding scale of cuts to their income.⁹ This will be defined by an earnings threshold, the equivalent of a 35-hour week on the national minimum wage (currently £212.80). Workers who fall below this threshold must increase their work with their current employer, or look for an additional job or for a new one. The threshold for Lone Parents with a child under 13 will be about 20 hours with gross pay of £120. With children over 12 they will be expected to work full time within 90 minutes of their home.¹⁰ OPFS does not believe the affordable, flexible, high quality childcare infrastructure is place to meet these stringent demands.¹¹
- **Child Maintenance Changes:** The implications of the UK Welfare Reform Bill on the child maintenance system are extremely serious for parents. The new system is designed to encourage parents to come to voluntary agreements. However there are concerns as to how voluntary arrangements would be conducted safely in the context of an abusive relationship. Family support services required to support voluntary agreements operate on a different basis in Scotland and England, and little account appears to have been taken of this

⁸ <http://www.opfs.org.uk/news/article/539>

⁹ <http://www.guardian.co.uk/commentisfree/2011/nov/10/welfare-plan>

¹⁰ <http://www.dwp.gov.uk/docs/ucpbn-11-conditionality-threshold.pdf>

¹¹ www.childreninscotland.org.uk/docs/pubs/Costs%20of%20childcare%20report_Laout%201.pdf

in the UK legislation. The proposed new statutory maintenance service will charge an up-front access fee of between £50 and £100, and deduct as much as 12% from the parent with care and as much as 20% from the non resident parent. This will have major impact on families in poverty

Council Tax Benefit, Passported Benefits & Social Fund

- **Council Tax Benefit:** OPFS supports the call on Scottish Ministers, made by the End Child Poverty Campaign (Scotland) charities, to ensure that any scheme developed to replace CTB is adequately funded within the Scottish budget.
- **Passported Benefits:** The introduction of universal credit is an opportunity for the Scottish Government to improve the protection offered by passported benefits such as free school meals, school clothing grants and the energy assistance package. Such support can and does play an important part in helping meet Scottish child poverty objectives.
- **Social Fund:** Funding for any replacement scheme should be maintained, if not enhanced, to recognise the vital support that it provides to families in need. We would argue eligibility should be linked to need. Decision makers should never be forced to reject a valid claim due to lack of a budget to meet the genuine need.

3. If you could question the Government about their implementation of the UK Bill what would you be asking?

Although welfare reform is a reserved matter OPFS believes the Scottish Government has within its powers options to ameliorate some of the impact.

1. Universal Credit

Work search and work availability requirements will severely limit lone parents' ability to train and gain skills that could help them find higher paid employment that is sustainable, and to make the most of opportunities to progress once working. Without the opportunity to train, lone parents face a future of low paid, insecure employment; cycling between in-work poverty and out-of-work benefits with little prospect of their financial or social circumstances improving.

It is vital that parents in receipt of out-of-work benefits have the opportunity to gain additional qualifications that will help them secure a job that pays a decent wage with the prospect of progression.

OPFS holds the view that lone parents whose youngest child is five or six should have the opportunity to access further education and training without the risk of sanction until their child turns seven (or until their course ends). Prescribed circumstances should permit access to further education (up to and including level 3) and training for responsible carers claiming JSA or Universal Credit; meaning that, if undertaking a further education or training course, they should be treated as fulfilling work search and work availability requirements until their course ends or their

youngest child turns seven. **Can the Scottish Government lobby Westminster to allow flexibilities in Scotland to match with our skill strategy**

2. Conditionality:

It should be possible for the regulations that will be part of secondary legislation, to be adapted to take into account the Scottish conditions. This option is available in Northern Ireland where Jobseeker's Allowance (Lone Parents) (Availability for Work) Regulations (Northern Ireland) 2010 include the provision that "In preparing a jobseeker's agreement for a claimant, the officer must have regard (so far as practicable) to its impact on the well-being of any child who may be affected by it."¹²

A Scottish specific regulation could make provision to ensure that: "Where a parent does not have guaranteed and predictable access to high quality, flexible and affordable child care, JCP must have regard to the impact on the well-being of any child who may be affected by this, and the Secretary of State may not impose a sanction on the claimant." **Can the Scottish Government investigate ways of introducing the extra powers which means Scotland would have regulation making powers similar to Northern Ireland?**

3. Childcare:

Westminster & Scottish governments should recognise the impact on Scottish Childcare Infrastructure of requirement for Lone Parents to claim JSA & look for work when their youngest child is 5 years & for lone parents in work to increase their hours.

In England the Childcare Act 2006 places a duty on all local authorities in England and Wales to "secure, as far as reasonably practical, sufficient childcare for working parents.

To ensure Local Authority childcare provision is adequate in light of this, Local Authority (Eng) sufficiency assessments are closely monitored by the Department for Education..."¹³ Additional funding has been made available to ensure local authorities can address gaps identified in their childcare sufficiency assessments. Each local authority has been asked to prepare a robust action plan detailing how it will address any gaps in provision identified within their assessment. New proposals on changes to entitlement to free early education and childcare sufficiency are out for consultation in England.¹⁴ None of this legislation applies to Scotland.

Can the Scottish Government consider a request for extra resources from Westminster to respond to increased demand for childcare created by their welfare reform changes?

4. Child Maintenance:

¹² <http://www.legislation.gov.uk/nia/2010/13/section/25>

¹³ <http://www.legislation.gov.uk/ukpga/2006/21/section/6>

¹⁴ <http://www.education.gov.uk/consultation>

Scottish Government should plan to address the potential impact of child maintenance changes in Scotland and to look at what infrastructure exists that might support parents through the separation/divorce process. Greater public investment in information, advice and support services for separating parents to empower them to adjust to the emotional impact and practicalities of solo parenting, to overcome conflict with their ex-partner and to cooperate in matters relating to their children would be in the best interests of the child. **Will the Scottish Government ensure investment in the appropriate services?**

5. Support for Parents:

Welfare rights advice, money advice & family support services maximize the resources parents have at their disposal to give their children the best start in life. Research shows welfare rights services “improve take up and deliver significant financial gains for clients”; that the “extra resources acquired by clients tends to be directed toward extra spending on fuel, food, education, recreation and transport”; and that the “local economy gains”. Furthermore evidence suggests welfare rights advice is cost effective. RNIB estimate that for every £1 of funding £44 worth of unclaimed benefit is raised, whilst CAB estimate every £1 spent on take up campaigns nets up to £85 for local areas.¹⁵

The complexity inevitably associated with means testing will be a significant feature of Universal Credit, which will continue to be based on hundreds of detailed rules relating to a claimant’s income, capital, family composition, housing costs, capacity and availability for work, disabilities etc – all of which are subject to frequent change. With adequate support for frontline advice and advocacy services there is significant potential for reducing losses to individual households and the wider Scottish economy

The devolution of elements of social security provision to Scotland including council tax benefit, community care grants and crisis loans are further significant changes. It is therefore more important than ever that families in Scotland have access to high quality information and advice to ensure they receive the combination of reserved and devolved financial supports to which they are entitled.

As part of the End Child Poverty (ECP) group of organisations OPFS welcomed the fact that the Scottish Parliament’s Health and Sport Committee Report on the Legislative Consent Memorandum on the Welfare Reform Bill highlighted the importance of advice and advocacy and agree that the UK government “should provide additional resources for advice and advocacy services¹⁶.” However we also believe that the Scottish budget, if it is to be consistent with national anti-poverty and solidarity objectives, needs to prioritise spending on supporting the capacity of frontline agencies across Scotland to provide that high quality advice and information.

¹⁵ Wigan and Talbot, *The benefits of welfare rights advice: a review of the literature*, 2006 at www.nawra.org/nawra/docs_pdf/Benefitsofwelfareightsadviceelitreview.pdf

¹⁶ See paras 147 and 148
<http://www.scottish.parliament.uk/parliamentarybusiness/CurrentCommittees/45099.aspx>

Will adequate resources be put in place to support and hold local authorities and community planning partnerships to account in delivering the income maximization services highlighted as a priority in the jointly agreed *Achieving our Potential* anti-poverty framework?

6. Council Tax Benefit:

We welcome the commitment by the Scottish Government to consult on council tax benefit (CTB) replacement in Scotland. OPFS supports the call on Scottish Ministers, made by the End Child Poverty Campaign (Scotland) charities, to ensure that any scheme developed to replace CTB is adequately funded within the Scottish budget.

It is vital that adequate resources are transferred to the Scottish government to support the new responsibility but we urge Scottish Ministers not to automatically pass the UK governments 10% cut in funding on to families and other claimants. **As well as ensuring that any replacement scheme does not reduce the level of support on which low income families depend, will the Scottish Government ensure that any replacement does not introduce a myriad of differing taper rates at which benefit is withdrawn that could increase work disincentives?**

7. Passported Benefits:

The introduction of universal credit is an opportunity for the Scottish Government to improve the protection offered by passported benefits such as free school meals, school clothing grants and the energy assistance package. Such support can and does play an important part in helping meet Scottish child poverty objectives.

OPFS welcomes the Cabinet Secretary's commitment to consult on passporting arrangements and recognition of the "opportunity to look innovatively" at them but remain concerned with the proposition in the Scottish Government Legislative Consent Memorandum that the fact that universal credit is to be paid to those in work means it is "not, in itself, reliable proof of sufficiently low income" for establishing entitlement to passported benefits.¹⁷ In fact most children in poverty live in working families. Work will not be a viable option for many if a cliff-edge is created at which passported benefits are lost. Furthermore, passported benefits play an important role in enabling government at every level to meet wider education, health and anti-poverty objectives and targets. **Will Scottish Ministers start from a position that any universal credit entitlement should generally be enough to establish eligibility, due to the importance of entitlement for those in low paid work?**

8. Replacement of community care grants and crisis loans

The Social Fund is a very important source of zero-interest credit for parents who are reliant on low incomes from benefits; and a fund of this nature will be particularly needed as other budget and spending review measures are implemented and more people struggle in a difficult economic climate. Furthermore, we believe Scottish budget decisions must ensure that funding for any replacement scheme is maintained, if not enhanced, to recognise the vital support that it provides to families

¹⁷ <http://www.scotland.gov.uk/Resource/Doc/51038/0122474.pdf>

in need. We would argue eligibility should be linked to need. Decision makers should never be forced to reject a valid claim due to lack of a budget to meet the genuine need.

Development of, and investment in, an improved replacement to community care grants and crisis loans would play an important role in helping meet the Scottish Governments national solidarity outcome.¹⁸ **Will any scheme for the devolution of Community Care Grants¹⁹ and Crisis Loans, set out a national framework that protects the conditions of eligibility in law and allows for a right to independent review of adverse decisions?**

4. What information would you suggest should be collected on how to monitor the implementation of the UK Bill?

There is an urgent need for better information, including at a local level, in relation to the impact.

OPFS delivers services directly to parents across Scotland. During the past year 4,212 parents called the Lone Parent Helpline and 2,099 families received support from our local projects in Dundee, Falkirk, Aberdeenshire, Renfrewshire, North Lanarkshire and Glasgow.

Feedback from parents, using OPFS services & messages left on the OPFS website highlight cases of lone parents who are worried about information they report as being given by Jobcentre Plus & Work Programme contractors causing fear & distress. The majority of cases are about lone parents who say they have been told that they have to work full-time, at weekends and evenings or must take a job even if they don't have suitable childcare. There have been calls from lone parents, with primary school age children, who say that they have been told they have to look for full-time work to be entitled to JSA. Helpline Advisors have also dealt with calls from student LPs. Some Further Education students for example say they have been told they could not get Income Support when they were entitled.

Pressures parents can be placed under due to the potential use of benefit penalties can be devastating. There are many lone parents who haven't worked for some time. Some parents have health and social circumstances that mean they could be faced with the choice of making claims for Employment and Support Allowance (ESA) or transferring to the harsher conditionality of Jobseekers Allowance (JSA). Many people are worried about the work-related conditions attached to receipt of JSA and a genuine fear of losing their benefits. This is not because they don't want to work or that they want to spend the rest of their lives on out of work benefits. They see the JSA regime as giving them no choice in the type of work that they may be required to do rather than preparing them for the work that would take their family out of poverty or even allowing them any reasonable prospect of acquiring those skills.

¹⁸ <http://www.scotland.gov.uk/About/scotPerforms/purposes>

¹⁹ <http://www.scotland.gov.uk/Resource/Doc/355084/0119885.pdf>

Voices of parents show that welfare reform is affecting family wellbeing & will ultimately hinder the Scottish Government in achieving its child poverty reduction & solidarity targets.

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