



SPAN

Single Parent Action Network

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21st Century Welfare

A response from the Single Parent Action
Network

21st Century Welfare Consultation Response

The Single Parent Action Network (SPAN) Registered Charity 1092929

The Single Parent Action Network (SPAN) works with single parents living in poverty to improve their lives. We have a membership of over two thousand including both single parent projects and individual single parent members. We have a Study Centre for single parents and offer training courses including courses for parents wanting to return to work. Our online forums on issues (with around 12,000 unique visitors each month) including welfare reform and our research work give us good insight into the lives of single parents and their children and how policy could be improved to help address their poverty.

SPAN are happy to discuss our consultation response in further detail and submit further details of our work with single parents if this would be helpful.

Summary

There are 1.9 million single parents raising nearly 3 million children. Paid work is seen by the Coalition Government, as well as by the previous Government, as the main route out of poverty for families with children, including single parents. Six out of 10 single parents are already in paid work. In order for any new welfare system to succeed it will be important to learn from what has helped single parents into sustainable work. Welfare reform needs to consider the important caring role that single parents undertake and the added difficulties that they face in the workplace juggling work and home life singlehandedly.

SPAN welcomes the Government intention to simplify the benefit system to increase clarity and financial security in work. We note that the consultation proposes a number of models for reforming the system. We understand that the universal credit is the most favored model for reform. However, the lack of details on the level and points of disregards for single parents make it hard for us to support the model at this stage.

We are disappointed that there is so little detail about single parents in the document or consideration of their needs. For single parents the move into work is not just about money it is about practicalities. Pushing single parents into any job on low pay which does not fit in with their caring responsibilities will just bring them back to relying on welfare. Single parents also need to have time to care for their children and good quality childcare for when they are not with them. Lack of flexible working is also a major barrier for single parents and with the current legislation they have no right to request flexible working when they are looking for a job. From SPAN's service delivery we also know the value of training to equip single parents to move into sustainable employment. Addressing the practical issues for single parents would be the best route for helping single parents move into work when the time is right for them and their family.

1) What steps should the Government consider to reduce the cost of the welfare system and reduce welfare dependency and poverty?

The majority of single parents are already in paid employment. The Citizens Advice Bureau's (CAB) recent researchⁱ highlighted that a major barrier for single parents entering work is good affordable childcare (in particular for older children and children with disabilities) as well as the difficulty of securing a good flexible job. In the DWP's own researchⁱⁱ both customers and JSA staff "highlighted some gaps in childcare and after school provision" which led some single parents to worry about leaving their children on their own after school. Access to childcare in general is not equal, with children in 'jobless households', in single parent families, and with special education needs, being less likely to benefit from the 1997 childcare expansionⁱⁱⁱ. The reliance on market provision has increased costs of childcare, which are amongst the highest in the developed world. Therefore even those single parents that can qualify for the childcare tax credit cannot afford to pay the remaining 20% of costs. Market expansion also raises important issues for quality.

The current employment legislation does nothing for single parents who are entering the job market and want to secure flexible employment to fit in with their caring role. Unfortunately, single parents are more likely to become a key group of the 'flexi have not' workers. Flexible working legislation does not apply to job applicants, only applying once someone has been in employment six months, and this seriously hinders the jobs that single parents can apply for. A recent study by the charity Gingerbread^{iv} found that there was a real lack of part-time roles, 62% of parents found that they had seen no or few jobs advertised at part-time hours that they could apply for. They also found when they looked at job advertisements in London papers that only 11% were advertised as part-time. This applies to the hours of work but also the flexibility around the way hours are worked (such a later start) to allow for the school run. The German Government together with employer associations have agreed targets to increase the "...proportion of job adverts mentioning family friendly working options, from a quarter to a third within two years"^v. Job Centre Plus could also do more to encourage employers to design jobs around flexible hours and support them to employ more part-time workers.

However, we are finding that employers are demanding more flexibility from their employees through our vulnerable employment project. For instance, minimum hours contracts (some as low as a two hours a week) and last minute changes to shift patterns. There is legislation in other countries (for e.g. France) that shift patterns cannot be changed and an employee can turn them down if they are at odds with family life.

The current law regarding emergency leave to care for a child if there is a crisis, such as a breakdown in childcare, is also currently restricted to parents of younger children (under 5) and so is of no use to single parents who will be obliged to look for work next year when their child reaches 5. In Scandinavian countries paid

emergency leave, which applies to parents of children of all ages, allows parents to successfully combine paid work with their caring role.

Current employment law in Britain works against single parents entering the job market and does not help them to work effectively and sustain family life.

A study^{vi} on single parents moving into work showed that achieving financial security was very important but hard to achieve. Low pay and inability to advance in employment are some of the factors that make it twice as likely for single parents to cycle back to welfare^{vii}. From our participatory research¹ we know it is critical that single parents should have access to further and higher education training to secure better paid, sustainable employment that lifts them out of poverty. From the DWP's own research the positive results of training and getting people into sustainable employment are evident. In Oregon, USA, participants are encouraged to take good jobs above the minimum wage and with potential for advancement. "Case managers assigned many people to short periods in education, vocational training, work experience and life skills training to improve their employability"^{viii}. Evaluation of their employment schemes over five years showed their results to be greater than the six other state experiment evaluations^{ix}

2. Which aspects of the current benefits and tax credits system in particular lead to the widely held view that work does not pay for benefit recipients?

Through our work with single parents we know that many of them want to return to work when the time is right for their family. Single parents have fared well in terms of policies to make work pay and their reduction in poverty has largely been due to Tax Credits^x and this has meant a significant increase in the number of single parents working. There is a fear from some single parents of losing the financial security from being on benefits together with the problem of losing passported benefits such as school meals and the deduction in Housing Benefit and Council Tax^{xi}. Research indicates that although these benefits are low, thus they keep people in poverty, they guarantee a set amount of income that single parents can rely upon and learn to budget on. Recent research has shown that single parents do not believe that they will be financially better off in work and for some this was based on personal experience. For others they did not think they would be better off financially because "...they would only be able to access low-paid employment and so when all the necessary living costs were taken into account, working would not necessarily lead to a positive financial outcome."^{xii}. As single parents know that there are limited employment opportunities, including flexible jobs that are open to them, it is an understandable concern that work will not lift them out of poverty.

Any reform to welfare will need to address these issues and ensure that in work benefits are at a level to lift single parents and their children out of poverty and this is clearly communicated to them. Furthermore, the Government needs to introduce measures to increase the quality and supply of flexible employment for people entering employment.

3. To what extent is the complexity of the system deterring some people from moving into work?

SPAN note that one of the aims of the proposed welfare reform changes is to provide a one-stop shop system for people seeking benefits. We think that this would be a positive step forward for claimants. It would also be good to have a smoother transition between benefits and work including a better cushion of benefits continuing when people start work.

A concern that we have with the current system, and this would need to be addressed in any reform, is the lack of clear information for single parents on benefits which would help in their preparation to return to work. For instance a guide is needed which sets out what single parents can expect and what is expected of them, dependant on the age of their child, with a drop down menu of possibilities for each stage (for instance help with childcare costs in their transition to work). This would help single parents to plan ahead and be more confident in the support offered to them, including in their transition into work, and the help they can access.

4. To what extent is structural reform needed to deliver customer service improvements, drive down administration costs and cut the levels of error, overpayments and fraud?

SPAN know through their interaction with single parents of the value of specialised single parent advisers within Job Centre Plus but particularly when these services are delivered by the advisers within children's centres. The value of the specialist single parent advisers is highlighted in recent research evidence^{xiii}. Giving single parents good advice and having specialist knowledge for instance knowing about local childcare is a positive thing. We are concerned that any move towards a more generalist provision, and in particular the proposed single work program will be a false economy.

5. Has the Government identified the right set of principles to use to guide reform?

SPAN would question the principle that "taking all types of work outweighs the risks." In terms of financial risk this is not always the case for single parents. "Paid work is not a guaranteed route out of poverty for single families. The latest Household Below Average Income data shows that the risk of poverty for single parents remains at 29% when the parent works part-time and 21% where the parent works full-time."^{xiv} Furthermore, research has shown an increase risk of children's social exclusion when their parents move into work^{xv}.

Rather than "strengthening the family" you might want to include "Respecting family life (in all its forms) and promoting the welfare of children".

We also think it important to reflect people's rights and responsibilities. "People using the welfare system will be treated with respect and informed about their rights and responsibilities."

SPAN is concerned about the final principle to "ensure that the benefits and Tax Credits system is affordable in the short and longer term." Even with the majority of single parents finding paid work the current economic climate means that many of them will be in poorly paid jobs or solely reliant on welfare benefits. For these single parents the benefits system is the lifeline for them and their children.

6. Would an approach along the lines of the models set out in chapter 3 improve work incentives and hence help the Government to reduce costs and tackle welfare dependency and poverty? Which elements would be most successful? What other approaches should the Government consider?

We welcome the Government's intention to simplify the benefit system if this was to lead to an increase in clarity for claimants and financial security for them when they enter work. However, we would need further details on the level and point of disregards and tapering before we could support the suggested models as a replacement for the current system of tax credits and in work credits. We would not want to agree to a replacement system which would make single parents, who are already at greater risk of poverty than coupled families, even poorer.

We can see the advantage of the Universal Credit as being portable and having a single deduction rate. Although we welcome the intention to apply large disregards for families, we are concerned that this will increase complexity. We are concerned that the Universal Credit would scrap benefits including child benefit which is particularly valued by single parents because of its security of income and as a universal benefit it is not stigmatising. We are positive from the information provided on the taper level that this will enable single parents to do work of 16 hours or less. However, we are concerned, from the limited information available, that single parents that work between 16-25 hours will be no better off.

SPAN support change to make the system more straight forward for claimants to understand, including dealing with one contact provider. However we think that this could be achieved through modifications to the current system, and this could be more economical for the Government. We propose a guaranteed citizen income which would be a universal portable benefit available to in and out of work which is not means tested. We would also want child benefit to be retained whichever the replacement welfare system is chosen.

7. Do you think we should increase the obligations on benefit claimants who can work to take steps necessary to seek and enter work?

SPAN is currently conducting research on single parents being moved into work. From this research we are finding that even the threat of sanctions has a negative impact on single parents. Some of the single parents are taking up the first job available rather than moving onto Job Seekers Allowance. The jobs that they have secured have not been sustainable and have resulted in a deterioration in their

mental health. Others are so confused about these changes that they do not even know which benefits they have been moved onto. We are particularly concerned that this last group might endure sanctions. This is because DWP commissioned research^{xvi} on Work Focused Interview sanctions found that long term recipients were more likely to be sanctioned and what is worse were enduring these sanctions without even understanding that they were being sanctioned. Other research^{xvii} shows that sanctions meant that children would go without essentials and increased parents' ill health. In the light of this we really do not think that sanctions should be increased and in particular we are concerned that the obligation to seek work might be extended to those with children as young as 4, as announced by the Emergency budget.

We also think that work first welfare programs that push people into any job are not effective and will prove expensive for the Government as people cycle back to welfare. As cited in the evidence to question one it is important that people have the opportunity to get jobs that make the most of their skills. SPAN is conducting new research on single parents being moved from Income Support. We are finding that downgrading expectations will not get single parents into sustainable employment and will not make the best use of their skills for the economy. Recent research showed the consequences on this downgrading on single parents seeking employment "I was told that having a law degree does not entitle me to choose a legal career. I was told in a rude fashion that I should consider working on a check out at Asda" and another lone parent who was a trained accountant was pushed towards administrative jobs^{xviii}.

Opportunities to train before entering the job market are a valuable way of helping single parents move into sustainable employment. Evaluations of the New Deal have shown that the level of training available is too low^{xix}. Once single parents have entered work it is very difficult for those who juggle work and family single-handedly to find the time to progress through training^{xx}. It is vital to provide good quality training before entering work. Our research has shown that those in low-paid jobs did not get any opportunities to train^{xxi}.

8. Do you think that we should have a system of conditionality which aims to maximise the amount of work a person does, consistent with their personal circumstances?

The current welfare legislation rightly recognises that parents including single parents should have time with their children as well as taking on paid work. For example, there is provision for single parents to work for a minimum of 16 hours to take account of their caring responsibilities and to restrict their hours to school hours when their children are younger. We welcome the intention to reform the benefit system in order to create financial incentives for those single parents who wish to and are in a practical position to work longer hours. But, we strongly oppose the proposal for a system of conditionality aimed at maximising hours of work. Our EU funded transnational research^{xxii} showed the negative impact for secondary school children of their single parent working longer hours. They ended up caring for younger siblings and others had no quality time with their parent. This compounded their feelings of social exclusion and was a barrier to them achieving in education. A

child focused study funded by the DWP also found that work had a negative impact on family time, with some children questioning the importance of financial gains.^{xxiii} We would press for the existing safeguards to remain in any revised reform to allow for single parents to work part-time and have time to care for their children.

Increasing conditionality more generally within welfare reform would seem to be at odds with current employment law. A worker does not have the right to increase their hours (like they do in some other European Countries). Once someone has secured part-time employment it may be hard for them to assume an increase in hours without changing their job. The practicalities of enforcing this more complicated conditionality would be onerous. It also seems that a crude increase in hours may not be the answer to many people's prosperity in work and a capacity to support their outgoings. Good quality employment which makes the most of people's skills would seem a more productive way of securing this financial security.

9. If you agree that there should be greater localism what local flexibility would be required to deliver this?

SPAN are concerned that localism can result in too much local discretion and single parents not knowing what services are open to them, for instance, the discretionary funds for childcare funding. However, we also see the positive side to localism including children's centres which can be responsive to local need. We support in particular the welfare advice services that are available within these centres where there can be a good understanding of local services and support.

10. The Government is committed to delivering more affordable homes. How could reform best be implemented to ensure providers can continue to deliver the new homes we need and maintain the existing affordable homes?

No comment. We are not sure why this question is included in this particular consultation.

11. What would be the best way to organise delivery of a reformed system to achieve improvements in outcomes, customer service and efficiency?

Single parents tell of their frustration of not knowing what services they can access and call for clearer advice in one place. From our participatory research, 68 single parents living in 5 different regions of the UK called for a One Stop Shop as key to moving into employment. One of these parents later became involved in piloting a One Stop Shop in Newcastle under Lyme. Specialist advice is particularly important for single parents as they have different work related obligations dependent on the age of their child. As stated earlier specialist single parent advisers has been shown to be the most effective and financially efficient way of delivering responsive services for single parents.

12. Is there anything else you would like to tell us about the proposals in this document?

Finally, we are concerned by the perception of the couple penalty within the current welfare system (with the anticipation that this will be changed during welfare reform). SPAN thinks that single parents should continue to be entitled to the same level of family premium as couples. This is because the premium addresses the needs of children, which remain the same irrespective of the number of parents, and because couples find it more easy to increase their income by increasing the number of hours they work than most single parents who only rely on one income. Only 2/5 of single parents receive regular maintenance from their child's other parent^{xxiv}.

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ⁱ Fair welfare supporting claimants into work (summer 2010) CAB

ⁱⁱ Lone Parent Obligations: early findings of implementation as well as experiences of the Income Support and Jobseeker's Allowance regime (2010). Research report 645 DWP.

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