One Parent Families Scotland
One Parent Families Scotland is Scotland’s leading single parent organisation. Building on 70 years of advocacy and service-delivery expertise, OPFS provides expert information, advice and support, along with training activities, work preparation programmes, and flexible childcare.

OPFS encourages and enables single parents to believe in themselves, enter education, training or employment and take up new opportunities. OPFS also delivers vital childcare services – allowing parents to work, learn, and take part in training. With local offices in Edinburgh, Dundee, Glasgow, Renfrewshire, Lanarkshire and Aberdeen, One Parent Families Scotland, on average:

- Provides services to over 5,000 families and 12,000 children
- Remains the biggest at home childcare provider in Scotland, reaching out to 2,300 families each year - allowing parents to work, take time to learn or do a course
- Gives active support to 2,500 families and their children
- Provides information and advice through its helpline to over 3,000 families
- Gives one-to-one welfare rights and money advice to over 300 single parents, bringing financial gains of £850,000 to families
- Attracts almost 97,000 hits per month to its website - helping visitors find vital connections to services and valuable contacts
- Enables 1,500 parents to find new confidence and enter training, education or employment.

OPFS has a vision of a Scotland in which all families, without exception, can prosper from life’s opportunities. OPFS is a leading member of the Scottish Campaign on Welfare Reform (SCoWR) and contributed to the development of the key principles which we support and believe should underpin a new approach to welfare. These are to:

1. Increase benefit rates to a level where no one is left in poverty and all have sufficient income to lead a dignified life
2. Make respect for human rights and dignity the cornerstone of welfare reform
3. Radically simplify the welfare system
4. Invest in the support needed to enable everyone to participate fully in society
5. Make welfare benefits work for Scotland. ⬆️

OPFS doesn’t take a view on independence but has been campaigning for many years, promoting policies that would support single parents to escape poverty and achieve a
better future for themselves and their children. Therefore we are happy to take this opportunity to feed in to discussion about future policy options to support these ends, whatever the constitutional settlement.

In this Briefing we set some key issues in response to the Committee’s call for evidence, with particular reference to the following aspect of the Inquiry:

How might wealth and income be (re)distributed in your vision for Scotland’s economic future? Specifically, you may wish to make reference to:

- Social security, welfare payments, etc.
- Wages and incomes
- Employment policies
- Poverty and income distribution.

Poverty
Levels of child poverty both in Scotland and across the UK remain unacceptably high. Despite some progress, currently, in Scotland one in five children is living in poverty, after housing costs have been taken into account.

The ten years to 2011/12 have seen the numbers of children living in poverty fall both in Scotland and across the UK. In Scotland there has been a fall of around 10% compared to 6% in England. Interestingly, falls in rates of poverty amongst single parent families over this period have been particularly marked and this is likely to be as a result of improved rates of employment amongst single parent families. This is likely to be due to previous policies such as tax credits (across the UK) and Working for Families (in Scotland) which helped ease some of the barriers to work for single parents. (The additional falls in Scotland are due to the higher prevalence full working patterns amongst couple families – i.e. where both are in work.)

These figures include a slight fall over 2011/12 which seems counterintuitive in the midst of austerity policies and high unemployment. But recent reductions in the numbers of children in poverty are due to the fact that the headline measures track relative poverty and during hard economic times, this can have the perverse effect of showing decreasing child poverty when standards of living are falling across the board – hardly something to celebrate.

While some progress had been made over that last ten years in reducing the numbers of children in poverty, almost all of this has been in families who are in work. Meanwhile, the numbers in poverty for families not in paid work remain high. In addition, there has been no progress in reducing socio-economic inequality since 1989.

Poverty and welfare reform
Analysis by the Institute for Fiscal Studies (IFS) forecasts that the proportion of children living in relative child poverty in Scotland after housing costs (AHC) are deducted will increase from 21.4% in 2011 to 28.4% in 2020 – an increase of seven percentage
points. These shocking figures are due to the UK Government’s tax and benefit reforms. As the IFS report states: “Tax and benefit reforms introduced since April 2010 can account for almost all of the increases in child poverty projected over the next few years.”

These devastating impacts come as no surprise given the unprecedented scale of the cuts to the welfare budget – a total of £22 billion to benefits and tax credit support by 2014/15. In Scotland, it is estimated that between £1.6 billion (around £480 for every adult of working age) and £2 billion will be cut from Scottish household incomes.

**Welfare reform and equalities**

As well as increasing the socio-economic inequality, welfare cuts are reinforcing inequality between groups. In Scotland there are 165,760 single parent households, estimated to be around 28% of all households with children. Because of the additional barriers they face, they are more at risk of being in poverty. Over two in five children in single parent families are poor, compared to just over one in five of children in couple families. Yet the way welfare cuts are structured means single parents are being disproportionately impacted, putting them at even greater risk of being plunged into poverty.

The IFS analysis of the prospects for incomes and poverty rates among households with children between 2010 and 2015 shows that “Overall, low-income households with children, particularly non-working single parent households, lose more as a percentage of income on average from tax and benefit changes to be introduced over this period than pensioners, those of working age without children and richer households with children.” Other groups at greater risk of being in poverty, like disabled people, also face disproportional impacts.

**Welfare and anti-poverty policy**

Current UK Government policy on tackling poverty focuses almost entirely on the role of employment as a route out of poverty. But for many, paid employment may not be an option because of long term ill health or disability; others, mainly women, are in fact already working full-time, either caring for young children and/or sick or disabled family members. Current policy fails to take account of the economically valuable contribution made by parents and carers, it also devalues the contribution which others (who for various reasons are not in paid employment), make to their families, friends and community – but which does not have a wage attached.

Worse still levels of basic working age benefits fall well below both the poverty line and Minimum Income Standards (as researched annually by the Joseph Rowntree Foundation). Compared to earnings basic benefits have fallen significantly over the last 30 years. If Jobseeker’s Allowance (JSA) had been increased in line with earnings over the last 30 years, the rate for a single person over twenty-five years of age would have been £113.26 in 2007, as opposed to £59.15
Employment and poverty
The impact of welfare cuts is compounded by wider economic and social factors. In 2011/12, 13 million people in the UK were living in poverty and for the first time more than half of these people lived in families where someone is in paid work.\textsuperscript{xiv} Single parents are in a unique position of being both carer and economic provider for their children. Due to a range of factors, including lack of affordable and appropriate childcare, single parents are more likely to be in poorly paid, part-time and temporary employment – the sort of employment which is leaving many working families below the poverty line. These and other barriers combined with a lack of flexible, family friendly employment, means that many single parents cycle in and out of work. Evidence shows those cycling in and out of work are often at greater risk of poverty. As described above, while previous policies have eased some of these barriers, more recent UK Government welfare cuts will likely reverse any gains if they are not mitigated.

Employment policy and welfare
Notwithstanding the fact that ‘in work’ poverty is rising, work remains a significant factor mitigating against the risk of poverty. UK coalition employment policy is almost entirely focused on supply-side measures. In relation to welfare policy these are designed to modify individual behaviour and especially to combat so called “welfare dependency”. The extension of the conditionality and sanctions regime, the Work Programme and the implementation of Universal Credit are all key elements of this policy.

Employability and conditionality
Sanctions apply to JSA claimants which, since 2012, includes single parents whose youngest child is aged five or over. For JSA claimants the minimum period for which benefits can be suspended is now four weeks and the maximum three years. Claimants subject to sanctions lose all of their individual benefit allowance, having a knock-on effect on their children – punishing parents and children alike.

Sanctions are imposed, ostensibly, on people that are judged to have not made sufficient efforts to prepare for or engage in finding paid employment. However recent research has shown that they are often applied in an arbitrary and unfair way, plunging families into severe poverty, with devastating effects on people’s health and wellbeing.\textsuperscript{xv} These findings chime with our own experience; working with single parents who are sanctioned through no fault of their own, often simply because they couldn’t find any childcare or their child was sick on that day. Sanctions are often imposed wrongly – for example, when a single parent was unable to attend the Job Centre interview because of lack of childcare – or increasingly, seemingly arbitrary reasons.\textsuperscript{xvi}

Even leaving aside these fundamental problems there is little robust evidence that sanctions, as opposed to other approaches, are a good way to increase sustainable participation the labour market. In addition, research conducted by the Department for Work and Pensions, into the impact of sanctions on behaviour, concluded that sanctions can cause hardship to families and is, in many cases, unlikely to be effective in encouraging future compliance.\textsuperscript{xvii}
Nor is there any good evidence to suggest that private work programme providers at least save public money or are effective in moving people into work. The Rt. Hon Margaret Hodge MP, Chair of the Committee of Public Accounts, said:

“The Work Programme is absolutely crucial for helping people, especially the most vulnerable, get into and stay in work. However its performance so far has been extremely poor. The first set of data on job outcomes shows that between June 2011 and July 2012, only 3.6% of people referred to the Work Programme moved off benefit and into work, less than a third of the target of 11.9%. In fact, performance was so poor that it was actually worse than the Department’s own expectations of the number of people who would have found work if the Programme didn’t exist.”

The increasing emphasis on conditionality is not new or confined to the UK. The UK Government argues that the UK system draws on Danish and Dutch models, which emphasise the importance of human capital and the responsibilities of claimants. Scandinavian countries have had a long-standing emphasis on activation policies. But importantly, the emphasis on responsibilities is balanced by rights, including typically, rights to much more generous rates of benefits, well-resourced active social inclusion policies and a much greater provision of free or affordable childcare. In contrast, the UK system provides neither rights nor responsibilities that are in any way fair or proportionate.

Measures to tackle poverty and inequality
Our economy, including our social security and taxation system should be used as positive tools to support and promote policies and outcomes which prevent poverty, enable all to live with dignity and respect, to tackle inequality and enable all flourish.

To support single parent families and others to achieve these goals the following are some key policies.

Whilst tax and benefit levels remain reserved, other efforts which cut the cost of living for families plays a critical role. These include for example, Free School Meals and other assistance with the costs of education, affordable transport and housing, as well as measures to tackle food and fuel poverty. Many of these measures will also support those in ‘in work’ poverty. Given the rising numbers in ‘in work’ poverty, measures to support the introduction of a Living Wage are critical.

Out of work incomes
While some progress has been made over that last ten years in reducing the numbers of children in poverty, almost all of this has been in families who are in work, meanwhile the numbers in poverty for families not in paid work remain high. A key challenge therefore is to ensure that all, including those who are unable to engage in employment, have sufficient to live with dignity and respect. This requires policies which go beyond the current focus on seeing work as the route out of poverty. Although the majority of
welfare remains reserved to Westminster, more areas have become devolved recently (the Scottish Welfare Fund and Council Tax Reduction Scheme) and policies which ensure these are adequately resourced will play an important role in supporting families in poverty.

**Employability and conditionality**

The current sanctions regime should be replaced with a voluntary scheme which provides high quality advice and practical support. One such scheme that was previously in place was the DWP New Deal for Lone Parents, which proved very effective in supporting single parents. Another model, again with a voluntary approach, was Working for Families (WFF). Robust research into WFF has shown that this was very effective at supporting families, including single parents, in to work.xx We should use the evidence that we already have about what works to develop an alternative, effective and respectful approach.

This is not to suggest that there should be no basic conditions of entitlement attached to claiming JSA. Rather, conditions should be simple, easy to understand, proportionate and fair, and the real barriers to employment should be the main focus of improving participation in the labour market. Sanctions are causing increased poverty and hardship and do nothing to address the real barriers that single parents face, which would enable them to escape poverty. In order to develop a social security system which prevents poverty and treats all with dignity we will need an entirely new approach.

**Childcare**

Many more single parents we work with would like to work but cannot because of a lack of childcare. Therefore, we warmly welcome the commitment in the White Paper to significantly extend childcare provision. We also support the Equal Opportunities Committee’s recent report which sets out the role of childcare in tackling gender inequity and recommends that the Scottish Government set out a timetable to extend free childcare for all children up to the age of 15 years.xxi Measures which promote maternal employment are also likely to have significant impacts on reducing child poverty. In terms of the type of provision needed, wraparound childcare to include before school starts and after school care should be a priority for investment. The childcare also needs to be local, so that parents can access it.

Early implementation of extended childcare would have a significant impact on levels of child poverty in the short term and in the long term by breaking down the financial barriers to moving into paid employment. In addition, the provision of flexible, affordable, high quality childcare is a child development issue as well as an economic issue.

**Access to education and training**

Improved educational and training opportunities are key to enabling single parents to improve their employability, progress in work and support their wider ambitions for themselves and their families. This requires investment in:
Specialised bridging/skills development programmes for single parents that account for their complex family situations and provide holistic support, raising skills and aspirations by empowering participants to overcome the barriers that prevent them from fully participating in work, education and/or skill development, with an overall goal of improving the lives of children in one parent families.

The development and promotion of a wide range of part-time, modular education and training opportunities with access to childcare to facilitate participation of those with parenting responsibilities.

Education and training policy should be co-ordinated with social security so that – unlike the present arrangements whereby those who want to study or train full-time face sanctions and losing entitlements – social security actively promotes lifelong learning.

Work/Life balance
The development and promotion of employment flexibilities to enable all parents to participate successfully in the workplace. Engagement is needed with employers to deliver flexible working for parents of young children, sick children, children with disabilities and other caring responsibilities, and to allow for obligatory parental leave, paternal leave and term time working.

Social security expenditure
Expenditure should first and foremost be based on a rights-based approach guaranteeing sufficient income to prevent poverty and enable all to live with dignity and respect. Raising basic benefit rates to prevent poverty and support people to live with dignity and respect would, all things being equal, in the current context represent a sizable investment. However, we would argue that firstly, there are several factors which could reduce this cost substantially and secondly, that additional investment in welfare would cut costs across other department budgets.

In the event of a Yes vote, in an independent Scotland it may be that reduced spending or increased receipts elsewhere could support a better social security system. For example, currently in the UK, additional receipts through action to close the tax gap, variously estimated to be between £30 billion and 120 billion\textsuperscript{xxii} , could reverse the entire £22 billion of welfare cuts made so far and potentially provide additional investment to support improved provision.

Costs could also be substantially offset by the savings generated by other policy interventions. Currently, public interest focuses on the role of social security in relation to individual recipients but a significant amount of spending supports business, subsidising low wages through tax credits and housing benefit. Tax credits also subsidise some extremely expensive childcare. Housing benefit (HB), which is the second largest element of current expenditure outside of pensions, also provides significant financial subsidy to the private rental sector. We would argue that the primary
role of social security should be those set out above and that large transfers of taxation to private business do not support those outcomes.

Instead, the cost of supporting the housing benefit bill could be cut by investment in affordable low cost social housing. Investment in affordable or free at the point of delivery childcare could take the costs of subsidising childcare out of the budget entirely. The cost of supporting the tax credits and other 'in work' benefits like HB could also be cut by raising the minimum wage. Although this is not the place to enter into arguments about global competitiveness, it is perhaps worth noting that the minimum wage in Sweden is around £11 per hour and despite this they are competitive across a range of sectors. Simplification of the current system could also substantially cut administrative and policing costs.

None of these interventions suggest that current entitlement to tax credits or HB be reduced further at the moment. For example, at the moment there is simply not the infrastructure to take help with childcare costs out of tax credits. We would need to build many more nurseries, train new staff and create many more jobs before we could restructure tax credits. In the meantime, raising tax credits to help cover the full cost of childcare would remove a critical barrier for single parents moving into and sustaining employment.

It can also be argued that in addition to the negative impact on both poverty and equality, taking money out of the pockets of our poorest citizens has wider negative impacts. When families are struggling to meet basic needs every penny in their pockets will be spent, immediately supporting economic growth. In contrast, large flows of quantitative easing to support the floundering financial sector have, unsurprisingly, been mainly used to write down bad debts rather than support growth.

But even setting aside potential savings such as these, happily it isn’t necessary to choose between morals and financial prudence. While the moral case for tackling poverty is an overwhelming one, there are also strong economic arguments. With the wider cost of child poverty estimated to be around £29 billion across the UK, the economic argument for investing in prevention is clear.xxiii

Raising benefits rates to a level sufficient to prevent poverty is essential to taking a preventive spend approach. There are a range of policy interventions that support prevention and early intervention but these must be prioritised in terms of a hierarchy of needs. For example, investing in schools to improve educational attainment for children can contribute to breaking long term cycles of poverty. But, if children’s concentration in school is impaired because they are hungry, or they have nowhere quiet at home to do their homework because of lack of heating, such investment would be crucially undermined. It is for this reason that ensuring adequate support to prevent income poverty must be a key principle for a preventative spend approach.
These principles are set out in detail in the refreshed SCoWR Manifesto, available at http://www.cpag.org.uk/sites/default/files/SCoWR%20manifesto%202013.pdf


The official UK and Scottish Government headline measure of child poverty is relative low income below 60% median household income.

Hannah Aldridge, Peter Kenway & Tom MacInnes; Monitoring Poverty and Social Exclusion in Scotland; 2013 http://www.jrf.org.uk/publications/monitoring-poverty-scotland-2013

In the UK, in 2011/12, median income fell from £373 to £358, after taking account of inflation and housing costs. In Scotland, the fall was from £393 to £370. This means the poverty line has also fallen.

The number of children in relative poverty using the AHC measure at http://www.scotland.gov.uk/Publications/2013/06/2493


Figures for Scotland can be found on p41 table B.2 Column 1.


Excludes impact of switch from RPI to CPI for benefits up-rating.

Scottish Government Analysis March 2013; see:
http://www.scotland.gov.uk/Topics/People/welfarereform/analysis/welfareexpenditurecuts

Includes impact of switch from RPI to CPI for benefits up-rating.

General Register Office for Scotland; 2012

Households Below Average Income (HBAI) 1994/95-2011/12, Table 4.5db; Department for Work and Pensions; 2013

James Browne; 2012; Families in an Age of Austerity: The Impact of Austerity Measures on Households with Children Institute for Fiscal Studies. Available at:


Tom MacInnes, Hannah Aldridge, Sabrina Bushe, Peter Kenway & Adam Tinson; Monitoring Poverty and Social Exclusion; JRF; 2013 http://www.jrf.org.uk/publications/monitoring-poverty-and-social-exclusion-2013

Punishing Poverty, Manchester; CAB; 2013

Highlights similar experiences across Scotland and the UK; available at:
http://www.manchestercab.org/news_more.asp?news_id=19&current_id=1

See Punishing Poverty from Manchester CAB, which highlights similar experiences across Scotland and the UK; available at:
http://www.manchestercab.org/news_more.asp?news_id=19&current_id=1
The Jobseeker’s Allowance Skills Conditionality Pilot (RR768); DWP; 2011

Thirty-Third Report, Department for Work and Pensions: Work Programme Outcome Statistics; Public Accounts Committee:
http://www.publications.parliament.uk/pa/cm201213/cmpubacc/936/93602.htm

Rights and Responsibilities in the Social Security System; Social Security Advisory Committee; 2009:

Evaluation of the Working for Families Fund (2004-2008); Napier University; 2009

Equal Opportunities Committee 4th Report 2013 (Session 4) Women and Work
http://www.scottish.parliament.uk/parliamentarybusiness/CurrentCommittees/64971.aspx

The tax gap includes avoidance, evasion and fraud combined.

Local Authorities and Child Poverty: Balancing Threats and Opportunities; CPAG; 2013
A breakdown of cost by Scottish Local Authorities is on p51.