



## Briefing for Welfare Reform Bill Public Bill Committee House of Commons

Feb. 2009

### Welfare Reform & Childcare in Scotland

#### Background

The lone parent agenda is central to the UK government's strategies on implementing welfare to work, increasing the employment rate and reducing child poverty. In the belief that the route out of poverty is through work, the Government has committed to increasing the employment rate of lone parents to 70 per cent, thus contributing to halving child poverty by 2010 and eradicating it by 2020.

There has been a steady rise in the number of lone parents moving into work, rising from 45.3 per cent in 1997 to 56.6 per cent in 2007<sup>(1)</sup>. However government argues that a significant increase in the numbers of lone parents moving into work is critical to both reducing child poverty and reaching its overall 80 per cent employment target. The Government has previously announced the removal of Income Support (IS) for lone parents once their youngest child is 12 or over from November 2008, aged ten or over from 2009, and seven or over from 2010.. <sup>(2)</sup>

#### Childcare & Welfare Reform

OPFS takes the view that the proposed changes in the Welfare Reform Bill will fail to lift lone parents and their children out of poverty. We are concerned that the emphasis on compulsion and sanctions is mistaken, unnecessary and impractical. Even so, for those lone parents who wish to and are ready to take up employment the Scottish childcare, employability, skills and education infrastructure will be crucial in providing the necessary support. In Scotland, over 25,000 lone parents with children over 7yrs are in receipt of Income Support, with an additional 9,200 receiving Incapacity Benefit – involving over 50,000 children. <sup>(3)</sup> Most will fall within the remit of the planned changes in the Welfare Reform Bill and access to high quality flexible, affordable childcare will be a key concern. Indeed the DWP Document "Impact Assessment of Welfare Reform Bill" published in Jan 09 states <sup>(4)</sup>

*"Given that the majority of lone parents are female, the increase in conditionality that the Government intends to pilot will impact on more women than men.....Evidence shows that for lone parents' balance of childcare and work, a lack of good quality, convenient and affordable childcare was a major barrier to work for lone mothers in the UK. However, the Government believes this risk is mitigated by the fact it has invested significantly in improving the availability and quality of formal childcare since 1997 and 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....."*

*The provisions of the Childcare Act do not extend to Scotland. However, the Scottish Government's Economic Strategy states that the Scottish Government will promote the provision of high quality, accessible, affordable, flexible childcare, in order to enable parents to access training and employment opportunities. To ensure Local Authority childcare provision is adequate in light of this, Local Authority (Eng) sufficiency assessments are closely monitored by the Department for Children, Schools and Families (DCSF)....Additional funding has been made available to ensure local authorities can address gaps identified in their childcare sufficiency assessments. And 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. Meanwhile, Jobcentre Plus feeds into Local Authority (Eng) sufficiency assessments by sharing data on reported childcare barriers to work gathered via its Labour Market System (LMS). "*

## Scotland

Population statistics show that Scotland has 275,200 children 0-4 yrs; 273,440 children 5-9 yrs; and 302,694 10-14 year olds. (851,334 children 14 years and under) (5) Scotland's childcare infrastructure differs from that in England; there is no legislative duty on local authorities and limited means of systematically monitoring Scottish wide provision. Moreover while the Westminster Government recently agreed to subsidise childcare for two year-olds in England and Wales. This does not apply to Scotland.

Childcare is provided through two main mechanisms. Firstly there has been a gradual extension of free nursery care for 3-4 year old children. All children are currently entitled to 12.5 hours weekly and the Government has included a commitment to increase this to 15 hours weekly by 2010 in the Early Years Framework.(6) Secondly local childcare partnerships have been established to support and develop childcare in each local authority and these have supported the development of pre-school, out of school and extended hours care suitable for working parents. This formal provision, for which parents pay hourly fees, is also supplemented by a range of provision linked to schools or the community, such as breakfast clubs or after school activities or holiday play schemes which vary in the service they offer and the extent to which they charge fees for use.

Over the period 2006-08 there has been a fall in the total of operating childcare centres and childminders in Scotland from 10,388 to 10,322. In 2008 the following numbers of children (0-12 yrs) were registered with facilities (by main service type): 25,240 attended a childminder; 133,030 were registered at nursery; 12,780 with a playgroup; 34,420 in out of school; 6,270 with children/family centres; 80 with a breakfast club; 8,120 with a crèche; 700 with a sitter service; 640 with a holiday play scheme; and 2,430 in a facility with no single main service.(7) Costs of nurseries and out-of-school childcare have risen sharply across Scotland and are continuing to rise above the level of inflation, according to the Daycare Trust. The annual childcare survey, produced for Scotland with the assistance of Children in Scotland, shows that the cost of out-of-school childcare in Scotland has increased by 29 per cent within the last 12 months, while the cost of a nursery place has risen by 12 per cent.(8)

A report for the Scottish Parliament's Local Government and Communities Committee published in January 09 found that " the greatest barrier to entering the labour market, for those who were in the economically active age groups and did not have health problems, was undoubtedly childcare" (9) As one rural resident said:-

*"There is a lack of it (childcare), the choice is limited and you don't want to leave your children with anyone".* The report highlighted that for those who were single parents this was often an apparently insurmountable barrier." When focus group attendees were asked what would improve their children's life chances..... Suggestions included.....

- Providing free child care for all of those aged 6 years and under. This, as one attendee pointed out, would result in the need to employ more people, thereby partially solving both childcare and employment problems;
- Ensuring that mothers were able to choose between working or staying at home to look after their children if this was something that they wanted to do;
- Greater flexibility in the provision of free care for pre-primary school children: - *"You get a free place when they're 3 but it's only two and a half hours. If you could prove that you're working or you're at college then they should maybe put that up to school hours".*

Resourcing is a key issue for childcare in Scotland. Westminster contributes to the cost of registered childcare through the tax credit system. In 2008 42,500 parents in Scotland received the childcare

element of Working Tax Credit, with the average payment being £66.37 a week. Of these 29,600 were lone parents (10)

The funding of the extra free provision proposed in the Scottish Early Years Framework is as yet not clear. Previously childcare partnerships had ringed fenced funding which is no longer the case. In addition, childcare had attracted substantial extra resourcing from the Big Lottery Fund which is no longer available. The previous Working for Families Fund also specifically addressed issues of childcare whereas the Fairer Scotland Fund which replaced it has less of a focus on childcare.

OPFS is particularly concerned that the implementation of the present welfare reform proposals will remove the rights of parents to act in the "best interests of the child" as the following extract from a debate in Westminster highlights:

Exchange between Anne Begg MP and James Purnell MP, Secretary of State for Work and Pensions on the 14th January

**Anne Begg MP:** *"It could be that the personal adviser in the Jobcentre Plus will say, "Look, we have got you childcare, it is perfectly all right," and the mother is saying, "No, it is not because it is too far away, there is the difficulty of transport, it not good enough quality. I know Mrs So and So who had her child in there and it was awful." At what stage does the personal adviser override the views of the individual who will know their situation and their child better?"*

**James Purnell MP:** *"I think that is a fair challenge. One of the key things I think we need to show people in terms of our welfare reform is that the system will be able to be personalised like that. In the end it will be the personal adviser's decision with the possibility of appeal because if we did it the other way round that would clearly have the potential to drive the cart and horses through the conditionality regime." (11)*

## England

In England the Childcare Act introduced a legal obligation for local authorities to make childcare available for parents in employment, education or training, including for children with additional support needs. This policy is being delivered primarily through Children's Centres and extended schools and is being monitored on an annual basis. Almost 3,000 communities now have access to a Sure Start Children's Centre, offering access to a wide range of early years provision, health and parental support – and by 2010 there will be one in every community (12)

The new English Childcare Strategy (13) published in Jan 09 states that "Easy, regular access to good early learning and childcare provides invaluable development opportunities for children and support for parents seeking to balance work and family life. We are now announcing that we will:

- Expect Local Authorities to develop action plans to fulfil their new duty to ensure that childcare for 0-14 year olds (and for older disabled children) meets and responds to families' needs and support them to do this.
- Offer free early learning and childcare places to the most disadvantaged two year olds in every Local Authority by September 2009, and extend this offer to all two year olds stage by stage;
- Work to ensure that parents have the choice to stretch the free offer for two, three and four year olds over more than 38 weeks of the year, including holidays;"

## OPFS Recommendations

1. Major gaps exist in childcare provision in Scotland including inadequate facilities for children aged 12 and over, especially in school holidays, sparse provision for children with additional support needs and limited access to extended hours care from sitter services. Increased subsidies for these services in poorer areas are required. A legal obligation, similar to that in England, should be introduced for local authorities to make childcare available for parents in employment, education or training.
2. OPFS supports Children in Scotland's recommendation that "the UK Government provides the Scottish Government with major new ring-fenced funding for good quality, integrated services for young children (birth-8) of families receiving benefits, allowing parents to work and creating skilled jobs in Scotland." (14)
3. Whilst OPFS does not support increasing conditionality in the benefits system we believe that the requirements to participate in work for your benefit schemes as well as conditions attached to work focused interviews should not be implemented in Scotland before the existing significant gaps in childcare provision are addressed. At the very least, the implementation of the legislation in Scotland should be delayed until adequate affordable, flexible, quality childcare is available to all Scottish parents.(15)
4. We believe it is the responsibility of UK Ministers to ensure UK reforms imposing new conditions on claimants take into account the very different childcare arrangements in Scotland.

## Sources

- 1) <http://www.dwp.gov.uk/welfarereform/c3.asp>
- 2) <http://www.dwp.gov.uk/mediacentre/pressreleases/2008/oct/drc101-061008.asp>
- 3) DWP Information Directorate, (Aug 2008) Work and Pensions Longitudinal Study 100% data.
- 4) Impact Assessment Of Welfare Reform Bill ,DWP Jan 09 para 85-91  
<http://www.dwp.gov.uk/resourcecentre/welfarereform-bill09-ia-intro.pdf>
- 5) GROS 2007 mid-year population estimates. [http://www.gro-scotland.gov.uk/files1/stats/population-estimates/07\\_mye-booklet-final-upd21082008.pdf](http://www.gro-scotland.gov.uk/files1/stats/population-estimates/07_mye-booklet-final-upd21082008.pdf) Table 1.
- 6) Early Years Framework ,Scottish Government, 2008 <http://www.scotland.gov.uk/Resource/Doc/257007/0076309.pdf>
- 7) <http://www.scotland.gov.uk/Resource/Doc/238307/0065417.pdf>
- 8) The full Childcare Costs Survey is available on the Daycare Trust website at [www.daycaretrust.org.uk](http://www.daycaretrust.org.uk).
- 9) "Child Poverty –A Report to the Scottish Parliament's Local Government and Communities Committee "Jan 2009, Hayton Consulting. <http://www.scottish.parliament.uk/s3/committees/lgc/papers-09/lqp09-04.pdf>
- 10) <http://www.hmrc.gov.uk/stats/personal-tax-credits/cwtc-dec08.pdf> (table 8.3)
- 11) <http://www.publications.parliament.uk/pa/cm200809/cmselect/cmworpen/uc147/uc14702.htm>
- 12) Childcare futures, Rt Hon Ed Balls MP, Secretary of State for Children, Schools and Families in, Policy Insight Paper No 2 Daycare Trust , Nov 2008 [http://www.daycaretrust.org.uk/mod/fileman/files/Childcare\\_futures\(2\)\\_web.pdf](http://www.daycaretrust.org.uk/mod/fileman/files/Childcare_futures(2)_web.pdf)  
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13) Next Steps for Early Learning and Childcare Building on the 10-Year Strategy, HM Government Jan 2009

[http://www.cabinetoffice.gov.uk/media/120944/early\\_learning\\_childcare\\_main.pdf](http://www.cabinetoffice.gov.uk/media/120944/early_learning_childcare_main.pdf)

14) Welfare Reform & Child Welfare, Children in Scotland Policy Briefing, Dec 2008

[www.childreninscotland.org.uk/docs/policy/WelfareReformFinal.pdf](http://www.childreninscotland.org.uk/docs/policy/WelfareReformFinal.pdf)

15) Case Studies of issues raised by lone parents with OPFS staff

- In Edinburgh a parent was told by JCP that her 8 year old had to stand outside in the street.
- In Dundee, a parent with a buggy was made to wait outside in the rain.
- Lone Helpline call from a parent using a childminder who had failed to renew her registration and the parent was then being required to pay back WTC.
- In South Lanarkshire the worker at Hamilton Lone Parent project reported the following :
  - Lone Parent with 3 children: 6yrs, 2yrs & 1yr told by JCP Advisor must do a course at the local college , lasted 3 weeks. The parent felt she was obliged to - even though the support worker informed her that she was not legally required to. The woman found herself in a very stressful situation whereby she had to travel to the oldest child's primary school by bus, with all 3 children; she then had to travel again to a local nursery to drop off the 2 under fives and then make her way to Bell College. She then had to be back at school for 3pm to pick up her 6 yr old and then travel to the nursery. This was for 3 weeks but resulted in upset for the children and herself. On one occasion she had a day off college because one of the 1 year old was unwell and she got called by the JCP Advisor chasing her up for missing the course.
  - 18 year old lone parent was previously in supported accommodation –Lorretto House, child 18 mths. Now got her own house. JCP Advisor looking for training or a job for her -told the parent she would need to look at her options.

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