



Welfare Reform & Single Parent Families: Briefing 1

Universal Credit: Single Parents – Gender Issues

June 2016

1. One Parent Families Scotland

One Parent Families Scotland is Scotland's leading single parent organisation. Building on seventy 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 delivers services across Scotland in Edinburgh, Dundee, Glasgow, Renfrewshire, Lanarkshire and Aberdeen and provides support to over 5,000 families and 12,000 children. This briefing draws on our experience as a service provider, supporting single parents across Scotland as well as previous consultations¹ that we have conducted into their experiences of and views on welfare reform.

OPFS has a vision of a Scotland in which all families, without exception, can prosper from life's opportunities. To this end we are working towards a Scotland where single parent families are free from poverty and have sufficient resources not just to survive but to thrive; are treated with dignity and respect and have equal opportunities and life chances, enabling them to flourish and achieve their full potential.

2. Single Parents and poverty

There are over 170,000 single parents in Scotland, 92% (156,000) are female.² By 2033, this is projected to rise to 238,000 (24% to 38%).³ Because of the additional barriers they face, single parents are more at risk of being in poverty. Over four in ten (43%) children in single

¹ OPFS Stakeholder Focus Group Discussions Report: Response to the Scottish Government Expert Working Group on Welfare: Call for Evidence (February 2014)
<http://www.gov.scot/Resource/0045/00451857.pdf>

² Census 2011: Key results on Households and Families, and Method of Travel to Work or Study in Scotland - Release 2C. (December 2013)
<http://www.scotlandscensus.gov.uk/news/census-2011-key-results-households-and-families-and-method-travel-work-or-study-scotland>

³ General Register Office for Scotland; Household Projections for Scotland 2008-based (June 2012)
<http://www.nrscotland.gov.uk/files/statistics/household-projections/2008-projections/household-projections-2008-based.pdf>



parent families are poor,⁴ compared to just over two in ten (22%) of children in couple families. Research shows that single parents are more likely to report having poor health (13%) being disabled or having a long term condition (15%) and have a disabled child (17%) than parents in couple families, where the figures are 7%, 9% and 14% respectively.⁵

3. Background

Universal Credit is a new benefit that is replacing many of the current benefits and tax credits. It is for individuals and families of working age whether they are in work or not working. Universal Credit will eventually replace the following benefits:

- Child tax credit
- Housing benefit
- Income-related employment and support allowance
- Income-based jobseeker's allowance
- Income support
- Support for mortgage interest
- Working tax credit (including help with childcare costs).

Some of these benefits are structured and calculated in a complex way – tax credits in particular. Others, such as Jobseekers Allowance, are much more straightforward payments to individuals.

DWP Statistics show many of them are also predominantly paid to women.⁶

⁴ Department for Work and Pensions; Households Below Average Income: An analysis of the income distribution 1994/95 – 2010/11 (June 2012)
https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/200720/full_hbai12.pdf

⁵ Department for Work and Pensions; Families with children in Britain: Findings from the 2008 Families and Children Study (FACS) (2010)
https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/214426/rrep656.pdf

⁶ Department for Work and Pensions; Quarterly Benefits Summary – Great Britain statistics to November 2015 (May 2016)
https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/523860/quarterly-stats-summary-may-2016.pdf



Working Tax Credit and Child Tax Credit

In 2010, around 70 percent of tax credits were paid to women. In 2016 it's likely that at least two-thirds of tax credits still go to women – the percentage having fallen as women have been disproportionately affected by the tax credit cuts since 2010.⁷

Income-related Employment and Support Allowance

Of all ESA claims in Aug 2015, 47 percent were paid to women, and 53 percent went to men. Income-related ESA is unlikely to differ greatly from these figures.

Income-based Jobseekers Allowance

In Aug 2015, 38 percent of JSA claims were paid to women, and 62 percent went to men. Eighty percent of JSA claims are income-based only.

Income Support

In August 2015, 81 percent of claimants were female; and 19 percent were male. Income Support is a predominately female benefit.

Housing Benefit

In November 2015, two-thirds of single-person claimants were women. 78 percent of all claims are by single-person claimants; most of the rest are couples.

Childless single-person claims are evenly split between the genders – but nearly 20 times as many women as men are single-people claimants with dependent children.

Universal Credit

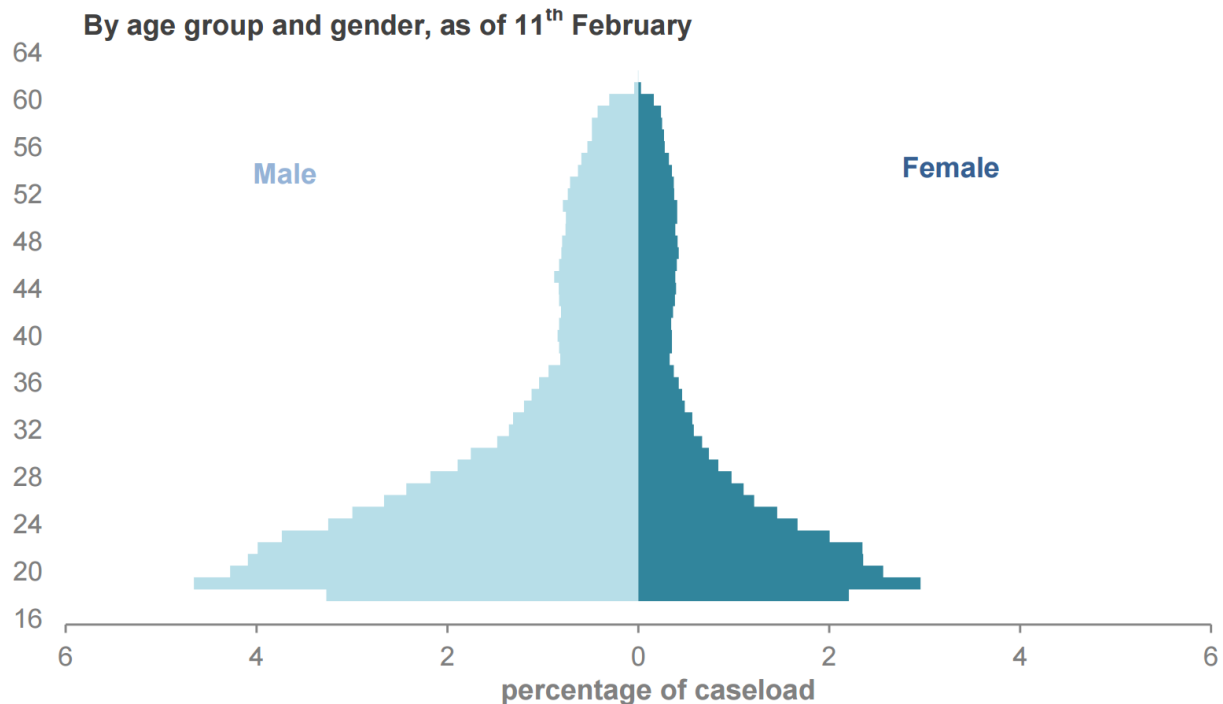
For most of the benefits being replaced by Universal Credit, women make up the clear majority of claimants. Only with JSA do men constitute a significant majority. It therefore

⁷ Scottish Government; The Gender Impact of Welfare Reform (August 2013)
<http://www.gov.scot/Resource/0043/00432337.pdf>



follows that the impact of the government welfare changes will fall disproportionately on women, a high percentage of whom will be single mothers.⁸

In February 2016, DWP statistics show two-thirds of all Universal Credit claimants were men. Especially young men – a fifth of the entire caseload is made up of men aged 20-24.⁹



This is because young men are the administratively “easy” cases for the introduction of the new benefit. They are less likely than women to have childcare responsibilities, which add complexity to tax credit claims. Their housing benefit claims are far likelier to be child-free than those of women. The only benefit where men make up the clear majority – JSA – is the simplest one. DWP statistics show 60 percent of current UC claimants are out of work even though a high percentage of tax credit and housing benefit claimants have jobs.

The Department for Work and Pensions has said that the introduction of Universal Credit would focus initially on new claims by single, non-disabled people – again, the administratively “easy” cases. The current data reflects this.

⁸ Poverty and Social Exclusion in the UK (PSE: UK), “Women lose out from government cuts”:
<http://www.poverty.ac.uk/articles-government-cuts-gender-welfare-system-tax-government-policy-uk/women-lose-out-government>

⁹ Department of Work and Pensions; Universal Credit – monthly experimental official statistics to 3rd March 2016 (April 2016)
https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/507659/universal-credit-statistics-to-3-mar-2016.pdf



The Government introduced Universal Credit to simplify our complex benefits system and “make work pay”. The aim was to make sure people were always better off working than not working by regulating how much UC claimants were entitled to.

But in reality, this hasn’t gone to plan. The Resolution Foundation says these rewards have been “significantly watered down”.¹⁰

The Government’s Universal Credit system will address the “most extreme disincentives” for people to find work but single parents stand to lose out, an independent study has established.¹¹ The Institute for Fiscal Studies has published analysis which finds that, on average, work incentives are strengthened “slightly” for welfare claimants but there is a discrepancy between different groups.¹²

According to the IFS research, an estimated 2.1 million families will face an average loss of £1,600 a year, while 1.8 million will gain an average of £1,500. Its figures suggest 1.1 million homes with no-one in paid work will lose out by about £2,300 a year, while 500,000 are expected to gain of £1,000. Working single parents are said to face an annual loss of £1,000.

4. The Scotland Act

Some powers over benefits have been devolved to Scotland.¹³ This paper focuses on:

- Support for costs of rented accommodation
- To whom and when UC is paid
- Power to vary the housing element of UC (including varying the bedroom tax)

¹⁰ Resolution Foundation; Universal Challenge – making a success of Universal Credit (May 2016)
<http://www.resolutionfoundation.org/publications/universal-challenge-making-a-success-of-universal-credit/>

¹¹ Politics Home; Single parents will lose out under Universal Credit – IFS (February 2016)
<https://www.politicshome.com/news/uk/economy/news/58933/single-parents-will-lose-out-under-universal-credit-ifs>

¹² Institute for Fiscal Studies; The (changing) effects of universal credit (February 2016)
<http://www.ifs.org.uk/publications/8136>

¹³ Scottish Government; Social Security for Scotland: Benefits being devolved to the Scottish Parliament (March 2015)
<http://www.gov.scot/Resource/0047/00473452.pdf>



Scottish Government is currently working on two priority flexibilities which are:

1. More frequent payments to the claimant (twice monthly as opposed to monthly)
2. Payment of the housing costs element directly to social landlords

And they are also looking at:

3. The third flexibility offering a split payment rather than one household payment of UC.

OPFS held a focus group with eight parents in April 2016 to get feedback on these three areas.

5. Proposals

1. UC Payment Frequency

UK proposal – monthly payment in arrears for all benefits. Scottish Government – working towards two payments per month.

Feedback from single parents:

- Easier to budget if payments are bi-monthly.
- Important to have choice, between monthly and bi-monthly as people have different circumstances.
- With monthly payments more likely to have to borrow or take out high interest loans if unexpected expenses arise.
- Parents are used to weekly/fortnightly payments of benefits so it would be harder to adjust to monthly payments for example - they would always be trying to catch up on the gap in spending to meet needs & payment of benefit.
- Unexpected payments often come up, such as school trips, children's parties, broken household appliances regularly arise. If UC only paid once a month this would mean a long gap to fix things if all the money was already spent.
- Monthly payments would make things more tempting for people with addictions to over spend.

2. Housing payments

It is proposed that housing benefit will be paid within UC along with other benefits. If people are claiming as a couple living together, all the payments will go to one person. The Scottish Government are working on options for housing payments to be made directly to social housing landlord. (Discussions about possibility of rent payments being made direct to private landlords as well).



Feedback from single parents:

- If money is paid directly to the landlord it will avoid overpayments.
- If housing payment made to directly to claimant there could be temptation to spend it on other debts that have high interest, and skip a housing payment. Therefore, this could result in the risk of families losing their home if payments not kept up to date.
- Payments direct to the landlord, would make it less stressful and avoid potential pressure from the landlord on the claimant.
- Parents living in social housing felt they would prefer housing payments to be paid directly to their landlord as they were able to feel that what was left could be budgeted for food & fuel.
- Concern was expressed by some parents about some private landlords that won't allow tenants to pay from any type of benefit including top up benefits, and therefore claimant would prefer housing payment direct to themselves to enable them to pay private landlord without them knowing source of income.
- Though it was suggested that private landlords might be more accepting of benefit payment tenants if it was compulsory that payment would be paid direct to landlord.

3. One payment per couple / Split payments

UC will only be paid to one account when claimed by a joint claim couple; unless one person discloses they are at risk of financial harm (could be a joint account). Scottish Government now has the power to decide who will receive the payment, and when.

Feedback from single parents:

- Concerns this could cause rifts in family if one person is in control of all the money, especially if there are other factors such as gambling.
- Everyone in the group felt that this would result in loss of independence, particularly for women.
- Women attending felt they didn't want to be reliant on someone else.
- Vulnerable people are not likely to disclose to DWP or other organisation if they are in an abusive relationship, or not getting access to their share of the money for fear of the consequences.
- Fear of financial abuse.
- Person who cares for kids should get childcare benefits. Having to ask for 'keep' money is degrading.
- One single parent said that she can understand why women turn to escorting/prostitution in desperate financial situations to support their family.



Other Issues Raised

Parents were asked: “When UC comes into full effect if changes are not made, and all payments were made monthly directly to one person, what impact would that have on you considering living with a new partner?”

- Everyone in the group stated that would make them think twice about living with a future partner. Some said they would never consider co-habiting with a partner if this was the case as they would fear loss of independence, financial control, how it might impact on their child, housing payments etc.
- One single mum in the group shared her experience of financial control with an ex-partner; she couldn't leave the house or do anything without his permission because he took all the money. This meant having to beg for money for necessities such as nappies and bibs. She said that she did not know who to turn to for help, and would have been to scare to tell a benefit officer about her abusive situation.

If payments should be split, how should this be split?

- A majority of the group agreed that housing payments should be made directly to landlord or housing association rather than claimant(s). Some fears around private landlords, which could possibly be eliminated by discussions with private landlord association.
- The group of single mums, didn't agree that payments should be to one claimant, even if to mum. They don't think it would be fair for either person to have complete control of finances.
- Person who is the primary carer for the children should get benefits, especially the child care element. For example, if one person is not in paid employment or the person that works less hours is at home more for the children and has less income should receive these payments. (This is less clear when both claimants are not in work).

6. Summary of key recommendations

1. The housing element of Universal Credit should be paid straight to the landlord for claimants in social housing. This would avoid the risk of payments not being made which could eventually result in homelessness.
2. Improved agreements with private landlords regarding UC payments could increase the availability of private housing available to single parents and other disadvantaged groups receiving benefit.
3. Claimants should have a choice of payment frequency, fortnightly or monthly. The Impact of forced monthly payments could result in vulnerable people having to take out high interest loans to survive.
4. UC payments should be split between claimants to avoid a negative impact on: relationships; having financial control; and dependent child(ren) – for example being



unable to access money required for their childcare, school related costs, food and wellbeing.

5. The childcare element of UC should be given to primary carer, more difficult to decide how other payments should be split.

7. Conclusion

Getting the right financial support in place is vital for working single parents who, under the current system, can struggle to make any gain from a pay rise or taking on extra hours. As well as the specific recommendations above for Scottish Government we believe the Westminster government should:

- Increase the amount that people can earn before universal credit begins to be withdrawn
- Reduce the steep rate at which benefits are taken away from earnings, to make increases in hours or wage always worthwhile.

These changes would make a huge difference to single parents all over the UK.

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