

Daycare Trust response to the Green Paper 'In work, better off: next steps to full employment'

1. Daycare Trust, the national childcare charity, is celebrating 21 years of campaigning for quality, accessible, affordable childcare for all and raising the voices of children, parents and carers. We lead the national childcare campaign by producing high quality research, developing credible policy recommendations through publications and the media, and by working with others. Our advice and information on childcare issues assists parents and carers, providers, employers, trade unions and policymakers.
2. Established in 1986, Daycare Trust has seen its campaigning translate into policy change, including the establishment of the national childcare strategy. However, access to quality childcare services is still dependent on where families live and on their income. In our 21st campaigning year, Daycare Trust is uniquely qualified to give a voice to parents facing a multiple range of challenges.
3. The Government has several challenging employment goals that it hopes to meet in coming years. Full employment is the over-riding goal and the aim is to achieve this by increasing the employment rate to 80% of the working-age population. One of the requirements to achieve this aim is to get 300,000 more lone parents in employment. The proposals put forward in the Green Paper predominantly focus attention on how this might be achieved.
4. Daycare Trust welcomes the opportunity to respond to the consultation, 'In work, better off'. The issue of lone parent employment has been the focus of intense policy activity over the past decade. Many of these policies have contributed to not only increasing the lone parent employment rate – by over twelve per cent in the last ten years – but also reducing child poverty. As the leading national childcare charity and members of the End Child Poverty coalition, Daycare Trust is anxious to see the child poverty target reached. To achieve the child poverty and lone parent employment ambitions, the Government must commit to effective and long-term funding of childcare. Since the first National Childcare Strategy started in 1998, much progress has been made in the supply and funding of childcare but this does not mean that provision is always available when parents need it and at a price they can afford.
5. The proposals in the Green Paper present a very different approach to getting lone parents into work than the current system. We are not convinced that the new approach is the right one as the required support systems, primarily affordable, quality childcare and flexible working, still remain out of reach for many lone parents. We are particularly concerned that it is unreasonable to sanction lone parents for failing to look for, and take up, paid work if appropriate childcare is not available. The imposition of stronger sanctions also puts the child poverty target in jeopardy. We strongly urge the Government to rethink its strategy.

Question 1: At the moment, lone parents are entitled to Income Support until their youngest child is 16. Is it right that this age should be reduced?

Question 2: What would the minimum age be?

6. The proposals suggest that from October 2008, lone parents whose youngest child has reached 12 would no longer be entitled to Income Support on the basis of lone parenthood. They may be eligible to transfer to Jobseeker's Allowance where they will receive support in looking for suitable work or to move to another appropriate benefit. From October 2010 this would be extended to lone parents whose youngest child is seven years old. For these proposals to be considered feasible it is imperative that lone parents have access to quality, affordable childcare to enable them to work. The green paper acknowledges that childcare remains a key issue in increasing the lone parent employment rate yet Daycare Trust is not convinced that sufficient childcare will be in place in time for the implementation of reforms, particularly for older children.
7. Research shows that there is a relationship between childcare and maternal work, with employment patterns mirroring patterns of childcare provision.¹ Lone parent employment has increased in recent years, facilitated by a range of social and employment policies. The green paper states that, "Our objective is to help more lone parents into suitable work, which they can combine with their responsibilities as a parent." The Government's childcare strategy has played a key role in increasing the employment of mothers overall and, more specifically, of lone parents. However, mothers' decisions about work and childcare are typically the result of a complex interplay of factors, including views and attitudes towards parenting, mothers' work orientation and children's needs at different life cycle stages, as well as the more practical difficulties families might face in finding childcare and family friendly employment and paying for childcare. Further exploration of these issues is crucial if the proposals in the green paper are to be taken forward and lone parents are to be moved onto Jobseeker's Allowance before their youngest child is 16.
8. Lone parents face multiple barriers to work which require a specific, tailored and supportive approach. Daycare Trust supports the recent written evidence given by One Parent Families|Gingerbread to the Work and Pensions Committee which opposes the proposal to move lone parents onto Income Support before their youngest child reaches 16 on the grounds that nine out of ten lone parents want to work when the time is right for them and their children. Moving them onto Jobseeker's Allowance regime is unlikely to achieve this and risks making families poorer. Evidence suggests that increasing the frequency of contact for lone parents at Jobcentres has little impact.² Simply increasing the number of work-focused interviews and attendant sanctions is unlikely to deliver results. Instead, more positive measures are required to increase work-related activity potential such as those through the New Deal Plus for Lone Parents which includes greater support with childcare.

The childcare barrier

9. The chief focus of attention for Daycare Trust is the lack of suitable, affordable childcare that would enable more lone parents to enter paid work. While great strides forward have been made in recent years, gaps remain. For example, the DCSF Parents' Childcare Survey found that a quarter of non-working lone parents said that they were not working due to a lack of suitable childcare, compared with 16 per cent of respondents with a partner.³
10. Research recently carried out by Daycare Trust showed that there has been a significant increase in the provision of daycare and out-of-school services since 1998.⁴ Of particular

relevance for the proposals in the green paper, the number of out-of-school clubs rose from 4,905 in 2001 to 7,656 in 2006. Out-of school clubs now provide 260,100 places. While this is an impressive increase in provision it is still not sufficient to provide places for all parents, including lone parents, who need one. The Government aims to implement extended schools in at least a third of schools by 2008 and all schools by 2010.

11. The financial barrier preventing more parents from using childcare when they would like to still remains. In 2004, the Families and Children Study found that one in seven lone parents who were not working more than 16 hours a week cited affordable childcare as a barrier to employment.⁵ More recently, a survey carried out by Daycare Trust found that half of those who were not using any childcare cited 'childcare is too expensive' as a reason. For parents on benefits or low incomes, even minimal costs can be expensive and a deterrent to using childcare.
12. In recent years the costs of childcare have soared above inflation. In 2007, the price of a typical full-time nursery for children aged 2 and over was £140 and for a childminder £139. The average costs of an out-of-school club were £38 for 15 hours a week.⁶ During school holidays parents can face obstructively high costs for childcare, averaging over £80 a week. The childcare element of Working Tax Credit (WTC) is the main source of childcare funding available for parents on low-incomes yet only 413,700 parents currently claim it, of whom 266,600 are lone parents – mainly because of restricted eligibility criteria. The credit only covers up to 80% of childcare costs, up to a maximum level of £175 for one child and £300 for two or more children – thus large families are at a disadvantage. The additional costs of caring for a disabled child are not considered in the childcare element of WTC. Daycare Trust believes that the proportion of help with childcare costs covered by tax credits should be increased to 100% and the maximum levels should be varied to reflect higher costs in some areas, with higher ceilings for disabled children.

Access to childcare for older children

13. How likely is it that the supply of childcare will be sufficient to accommodate the proposals in the green paper to increase the lone parent employment rate? The Government's Ten Year Childcare Strategy, *Choice for parents, the best start for children*, published in December 2004, set out a clear vision and strategy to establish high quality and accessible childcare for all families of children up to the age of 14 (older for children with disabilities). However three years into the implementation of the strategy, very few children aged 11 – 14 appear to be making use of childcare. For example, recent research carried from Daycare Trust and NatCen shows that although use of out-of-school activities for 12-14 years olds trebled between 2001 and 2004, this was from a very low base of 2% rising to 6%. (This compares with 16% of primary school children aged 5 –11). We understand that initial data from the 2007 survey shows similarly low take-up rates.⁷
14. A 2006 TDA survey of parents found that a significant majority of parents expressed a demand for formal childcare for older children with registered attendance and indicated that they may be willing to pay towards the costs. Daycare Trust's own research also showed that lone parents were unhappy about their secondary school-aged children having to self-care and many would refuse to let that happen – with subsequent effects on their employment possibilities. They cited a lack of childcare for older children as a real gap in the childcare service that presented a barrier to them working. For example, one lone mother said:

“At the age of 11, you can’t leave them. You shouldn’t really be leaving them until they’re 14. So what am I supposed to do? So do I now accept that I can’t work for the next three years?”⁸

15. Another lone parent in the research spoke of her exasperation at the lack of childcare suitable for her needs:

“I can find the job, I can get the job – but I’ve no childcare for (son) – the older one.”

16. Research conducted for the DWP on the effectiveness of Work Focused Interviews for lone parents claiming Income Support found that childcare issues did not diminish as children got older (DWP Research Report No 443). Many lone parents with children aged 12-15 said that there were no alternatives to out-of-school care that might be available for primary school children; the older children ‘refused’ to be looked after by childminders and parents did not feel they could trust them alone for any length of time, particularly in deprived areas where there were perceived to be potential threats on the streets.
17. Evidence suggests that it is during the ‘transition’ phase from primary school to secondary school when some children become exposed to more risks that leave them more susceptible to poorer outcomes. For example evidence from the US showed that mothers’ attendance on work programmes had a positive effect on school achievement for children aged two to nine. However, the effect on their children who were aged from ten to sixteen was less positive with below-average school performance and slightly increased likelihood of repeating a grade or needing special education classes. The adolescents concerned seemed to be those with younger siblings, suggesting they may be looking after themselves and taking on early childcare responsibilities because of their mothers’ work.⁹ We also know that it is often at this age that those children and young adults who, left unsupervised and outside any formal setting after school, are more at risk of getting into trouble in the crucial hours after school and before their parents return from work. Yet at the early years of secondary school children are often still too young to take advantage of any youth provision. These issues need serious consideration both in terms of the proposals in the green paper, and also not forgetting that one of the Government’s aims of the childcare strategy is to improve the outcomes for children.
18. There is now considerable emphasis on parents’ responsibilities on issues such as ensuring school attendance, curbing anti-social behaviour and improving the diet of their children. The teenage years are acknowledged as some of the hardest for parents to meet these responsibilities. The Government is sending a rather confusing message to parents who feel torn between their duties as parents and the requirement to actively seek work.
19. The cost of out-of-school provision varies depending on whether it is school-based or not, with the former charging an average of £2.50 per hour compared with £3.33.¹⁰ Such costs present a financial barrier for families who are on a low-income, including lone parents entering paid employment. Daycare Trust believes that use of after-school, breakfast and holiday clubs should be free for poorer families, possibly passported in the same way as free school meals. Out-of-school activities for 11-14 year olds should be subsidised, aiming ultimately to make them free. The recent announcement of £265 million over three years from the Department of Children Schools and Families is a welcome step forward but it is currently unclear whether this will be sufficient.

20. The Government is now committed to providing extended schools from 8am to 6pm offering, among other things, childcare and study support. The Department for Children, Schools and Families claims to have found little demand in secondary schools for a formal childcare offer and therefore formal childcare is not a core requirement of extended secondary schools. Nonetheless, it is acknowledged, as our own research shows, that working parents do value a safe place for their children to be out of school hours and in the holidays, where they can also get involved in positive and educational activities. It is also important that extended schools provide appropriate and suitable care that the young people themselves are happy to attend – the re-packaging of existing extra-curricular activities may not be sufficient.
21. The Government aims to implement extended schools in at least a third of schools by 2008 and all schools by 2010. The green paper and DWP report *‘Working for children’* suggest that this is one of the key measures that will enable lone parents of older children to move into work. Yet no mention is made of the discrepancies in timing – how will lone parents in the two-thirds of places that will not benefit from an extended school by 2008 be able to access work outside of the school day and how will they find childcare during the school holidays? There is also the question of whether the lack of childcare will be considered a valid reason for a lone parent not taking up work.
22. From April 2008, local authorities have the duty to secure sufficient childcare, particularly for working parents. It remains to be seen what the findings from the sufficiency assessments will be with regard to childcare for older children and how local authorities will meet the demand. Daycare Trust argues that national monitoring of local authorities’ sufficiency assessments should be conducted and it is crucial that actions are taken to fill any gaps. It would be unreasonable to implement the green paper proposals if the sufficiency assessments highlight considerable gaps in supply to meet the needs of lone parents. We support the suggestion made in the Harker report on child poverty that one way to make the sufficiency duty ‘real’ would be to link any conditionality for parents to it, i.e. if parents showed that out-of-school provision in their area was not suitable for their needs, they would not be penalised for failing to take up employment.

Childcare for children aged over 7

23. As already stated, Daycare Trust do not consider that it is right that lone parents should lose their entitlement to Income Support when their youngest child reaches 12 years old and we are strongly opposed to the proposal that this be reduced even further to when the child reaches 7.
24. In evidence to the Work and Pensions Committee, the Secretary of State for Work and Pensions said: *“I have made a specific condition of the lone parent strategy of encouraging more people to get into work that childcare support has to be in place, especially when you bring the level down to seven years old, that is essential...”*¹¹ We welcome this assertion yet cannot see that quality, affordable childcare for all lone parents who require it will be in place in time for the proposed start of the reforms. This raises questions as to what happens when lone parents cannot comply with the jobseeker’s regime.
25. In evidence to the Committee, the Secretary of State responding to questions around the lack of affordable childcare in London, said: *“I want to give an absolutely categorical reassurance to you...that there is no pressure to frogmarch lone parents into jobs in London, regardless of the childcare support that is available. That would be unfair and also extremely*

unwise, not just the impact on lone parents but more important what this is all about is conquering child poverty, not about making conditions for children more difficult.”

26. In cases where lone parents are unable to abide by the jobseeker's regime or to take up paid work due to a lack of access to affordable childcare, it urgently needs to be clarified what the role of the personal adviser is. It is crucial that the regulations are amended to ensure that when the lack of quality, affordable childcare makes it impossible for a lone parent to take up a job, this is accepted as good cause for not accepting an offer of employment. We do not believe that the decision on how reasonable it is to expect a lone parent to enter work should be left to the discretion of a personal adviser.

Question 3: Should we do more to ensure that our support for lone parents is accessible and useful for all groups, in particular those with disabled children and those from certain disadvantaged groups and areas?

Lone Parents with disabled children

27. Daycare Trust believes that more should be done to support lone parents with disabled children. Over a quarter (27%) of lone parents are caring for a disabled child, compared with 20% of couple families.¹² Many parents of disabled children want to work and/or study but they face numerous complex barriers in their efforts to do so. Research carried out by Daycare Trust with parents, including lone parents, of disabled children showed the difficulties they experience in finding suitable, affordable childcare.¹³ Parents recognised the benefits of working but felt that a balance of being able to access the right childcare and having an employment situation that is flexible enough to allow them to meet the needs of their disabled child.
28. Use of childcare by parents with disabled children is low and parents in our research reported numerous gaps in childcare provision including: a lack of specialised childcare and suitably trained workers; settings where they could place both their disabled and non-disabled children; appropriate settings as their disabled children got older; and transitional care from child to adult services. Awareness of entitlements and initiatives to assist parents of disabled children was low among the parents and many perceived there to be a lack of accessible information. For the parents in the research who did not use childcare, cost was a key factor and many felt that they are not provided with sufficient financial assistance for their disabled children's childcare provision. Daycare Trust is therefore supporting the calls by the Every Disabled Child Matters campaign for a major take up campaign on Disability Living Allowance and an increase in the Allowance to meet the real costs of caring for a disabled child. We also support their campaign to increase the childcare element of the Working Tax Credit for these families and, as we recommended in our own research with parents of disabled children, argue that this should be raised to cover childcare costs of up to £300 per week.
29. We are concerned that the lack of suitable, affordable childcare for disabled children presents an additional barrier to lone parents in meeting the requirements of the jobseeker regime. Lone parents of disabled children may have to go through the same processes and sanctions yet be subject to an unreasonable demands through no fault of their own. Until sufficient childcare is available for disabled children it is unfair to expect a lone parent to actively seek work with no guarantee of finding suitable childcare for their disabled child.

Daycare Trust recommends that all childcare facilities must be disability-friendly and accessible provision must be made available as a matter of urgency.

Lone parents in disadvantaged areas

30. Lone parents living in disadvantaged areas will require additional support to enable them to access the services that might assist them into paid work. One of the main aims of the Government's childcare strategy is to support parents into paid work. In addition to initiatives such as extended schools, it has targeted funding at disadvantaged groups through such measures as the childcare element of Working Tax Credit, the creation of children's centres and increasing childcare provision in deprived areas through Government intervention and time-limited supply-side funding (most notably, the Neighborhood Nurseries Initiative). In disadvantaged areas evidence suggests that providers experience difficulties in making a profit and find it difficult to generate demand, especially if local employment rates remain low. Consequently they do rely on government funding to plug the gap. It remains to be seen what will happen to this childcare provision once government funding ends.
31. Daycare Trust believes that the Government should continue to subsidise childcare provision in disadvantaged areas, through initiatives such as Neighbourhood Nurseries, but with committed funding rather than 'pump-priming'.
32. Maternal employment rates have been shown to vary significantly by region. A study of lone parents employment found a "London" effect, with lone parents in London less likely to be working 16-29 hours per week compared with other regions.¹⁴ One explanation put forward was that this was due to higher than average costs of employment in London, including travel and childcare. Data from the Parents Childcare Survey also show that maternal employment varies by region with a significantly smaller proportion of mothers in London working (48 per cent in 2004) compared with other regions. Furthermore, families in London pay higher childcare costs than parents in other parts of the country. The annual Daycare Trust survey of childcare costs showed that in 2007, the average weekly costs for a nursery place for a child aged under 2 was £205 compared with a national average of £152. The highest nursery cost in London was £330 per week.
33. Over recent years the Government has begun to address the specific issues faced by families living in London where there are relatively high levels of child poverty and lower rates of employment, particularly for lone parents. Measures such as the introduction of a higher rate of In-Work Credit in London are a welcome addition to the income of lone parents that will help to cover the higher costs of childcare that parents in London have to pay. Daycare Trust supports the initiatives within the Childcare Affordability Programme (CAP) and we urge the Government to pay close attention to the recommendations arising from the London Child Poverty Commission, particularly those relevant to addressing the high costs of childcare in the capital. We would like to see the funding for CAP extended and consideration given to extending the principle to other cities and regions in order to: subsidise costs and fund more free places in London and other high costs areas.

Question 4: More frequent Work Focused Interviews are currently offered to lone parents in the two years before their eligibility to Income Support is lost. As the age of the youngest child is reduced, should other forms of support be provided, and over what period prior to loss of eligibility?

34. Attendance at frequent work-focused interviews might require lone parents to use childcare when they otherwise would not use it. Jobcentre Plus advisers should ensure that all appointments take into account lone parents' childcare responsibilities and schedule them accordingly taking into account school opening hours.
35. Lone parents on Income Support – like all parents – need to be confident that if they use childcare, their children will be safe and happy in a stimulating environment. Knowing that their children are being appropriately looked after is a crucial issue that lone parents need to consider before moving into employment. Childcare taster pilots and extended schools childcare pilots have been running in several areas, including in the NDLP+ pilot areas. These initiatives are important in introducing lone parents to using childcare and should be extended to lone parents leading up to their loss of eligibility to Income Support.
36. DWP needs to work closely with both employers and childcare providers to stimulate good quality job opportunities providing family-friendly employment (see response to question 9). Personal advisers will also need to ensure that lone parents are provided with full information on financial support available for childcare costs.

Question 5: For lone parents who move onto Jobseeker's Allowance when they lose Income Support eligibility, what forms of support (in addition to those provided to Jobseeker's Allowance claimants who are not lone parents) should be available, and over what timescale?

37. Under the current system, lone parents already face difficulties in trying to arrange work-focused interviews around their children's school timetable. In research Daycare Trust conducted with lone parents, we heard from a lone mother struggling balance her parenting responsibilities with attempting to become work-ready:

“If it was that difficult just to organise the work-focused interview alone, how did she expect me to organise interviews for getting jobs, getting into work and everything else that goes with it because she couldn't understand and you find it's very difficult for people to listen to you – they've got this slot and that slot free and they want you in as much as possible. None of those free appointment times fit in with your child in school.”

38. Under the current system it is important that personal advisers take into account the childcare responsibilities of lone parents when working with their clients. Under the proposed new regime it will become crucial. At the moment it is unclear how the proposed regime would deal with lone parents who do not meet the requirements of the JSA regime for childcare-related reasons. For example, will lone parents be sanctioned for failing to take up employment when no suitable childcare is in place or for 'voluntarily' leaving employment due to a breakdown in childcare? Further complications are likely if a sanction is imposed due to the consequent effect on Housing and Council Tax Benefit and other passported benefits. It is imperative that more children are not pushed further into poverty due to the sanctions imposed on lone parents claiming benefits, particularly when the reasons for the sanction are outside of the parents' control. The Department should ensure that the regulations and guidance for Jobcentre Plus staff includes the lack of affordable childcare as a factor to be considered as good cause for failing to avail oneself of employment. Until lone parents can receive a guarantee of a suitable and high quality childcare place that they can afford when they need it to enable them to work, the sanctions regime should not be

imposed. Daycare Trust would also like assurances that DWP will not ask lone parents to use informal childcare in order to comply with the Jobseeker's regime. In addition, we would argue that sourcing adequate childcare should be considered a 'step' towards finding work within the Jobseeker's Agreement.

39. Under the proposals in the green paper, lone parents must attend the Jobcentre Plus office fortnightly and would be subject to a much harsher JSA sanctions regime. Currently, lone parents on Income Support can be sanctioned for failure to attend a Work Focused Interview but this is restricted to 20 per cent of their benefits. JSA recipients can see all their benefits removed, or topped up to only 60 per cent of the maximum level in cases of hardship, through sanctions due to: failure to attend; to carry out a Jobseeker's Direction; failing to avail themselves of employment; and also voluntary leaving employment. Daycare Trust strongly opposes this punitive and unfair approach which would have serious implications for lone parent families and child poverty.
40. Lone parents currently undertaking any activity via NDLP will have their childcare costs met. It is not clear whether this is planned for those on JSA undertaking mandatory activities. For example, will DWP fund childcare places while lone parents undertake a Jobseeker's Direction, such as participating in training, and will this be funded? Will the current caps on the Adviser's Discretionary Fund be lifted to achieve this?
41. Childcare affordability is a key issue for lone parents who want to enter, and stay in, paid work. In recent years the costs of childcare have soared above inflation. In 2007, the price of a typical full-time nursery place in England is £152 per week and for a childminder £141. During school holidays parents can face obstructively high costs for childcare, averaging more than £80 a week.¹⁵ The Family and Children Study shows that, in 2005, lone parents spent 16 per cent of their income on childcare compared with 10 per cent for couple families. In 2004, the Parents' Childcare Survey showed that 25 per cent of lone parents said that they were not working due to a lack of suitable childcare, compared with 16 per cent of respondents with a partner.
42. The childcare affordability issue is also relevant with regard to lone parents' income if moving into work. Lone parents will face considerable costs for childcare including deposits and up-front costs in addition to weekly costs. It is not clear what level of support will be available to assist with these considerable financial outgoings. It is important, considering the child poverty target, that lone parents are not required to take a job if they would not be better off financially. There also needs to be recognition that cycling in and out of work in unsuitable jobs leads to deeper poverty.
43. There may be confusion and duplication over the roles of Jobcentre Plus advisers. For example, lone parents who decide to access NDLP will continue to have to sign on with a non specialist adviser, whilst receiving employment support from a separate NDLP adviser. This should be clarified. In addition, it is not clear whether further training will be provided for those staff who will be new to dealing with lone parent clients. It is crucial that all staff who are working with lone parents are sufficiently trained so that they can assist lone parents and provide appropriate support.
44. Daycare Trust believes that DWP should substantially improve its services in relation to, and involvement with, the Government's childcare strategy. Jobcentre Plus is beginning to collect more data on the childcare needs of parents but much more needs to be done. There is a particular need for closer working with local authorities on their childcare sufficiency duties

which requires much better sharing of information. This was recognised in the response to the Harker report, *Working for children* but there is little evidence of improvements so far.

Question 6: Jobseeker's Allowance recipients can, in certain circumstances, restrict their search for work to a minimum of 16 hours per week. Should additional flexibilities be available if the proposed changes are made?

45. Daycare Trust believes that lone parents should be able to restrict their search for work to allow them to balance their childcare responsibilities with taking up paid work. Research shows that finding suitable, affordable childcare during school holidays is difficult for many parents (see response to question 9). The Jobseeker's Allowance regulations allow for claimants to be 'treated as available and actively seeking work' in certain conditions. Because of the difficulties in finding suitable, affordable childcare during school holidays, we believe that this requirement should be relaxed for lone parents. Other situations that should be included are: periods where a child is sick and unable to attend school; times at which a parent needs to attend hospital appointments for a sick or disabled child; periods where childcare breaks down, eg. The childminder is ill or the out-of-school club closes; times when the lone parent is participating in school events and supporting their child's education.
46. In terms of the structure of the proposed new regime, it is unclear whether resources will be allocated to appropriate provision for lone parents during the 'gateway' stage of the claim (that is, after six months). It appears that there is a real shortage of activities such as training or other back to work provision at part time hours that would enable lone parents with school age children to balance childcare responsibilities with back to work activity.
47. Under the current system there are poor incentives for lone parents who wish to work for less than 16 hours a week. Recent research conducted by Daycare Trust and NatCen which conducted secondary analysis of the Parents' Childcare Survey, found that between 1999 and 2004 there was a significant increase in the proportion of lone mothers working longer part-time hours of 16-29 hours per week (from 17 per cent to 24 per cent). This compared with a smaller rise of four percentage points for mothers in couples (from 25 to 29 per cent). At the same time, there was a small decrease in the number of lone mothers working less than 16 hours per week (from 7 per cent to four per cent and from 13 to 11 per cent for mothers in couples). While it was not possible in the research to isolate the impact of a single policy initiative on maternal employment, the findings appear to indicate that Working Tax Credit and the childcare element could partly explain the increase in maternal working hours.
48. Recent research from One Parent Families and the Institute for Fiscal Studies examined several reforms to means-tested benefits and tax credits and concluded that the most effective, in terms of increasing the lone parent employment rate, would be an increase in the earnings disregards in Income Support, Housing Benefit and Council Tax Benefit.¹⁶ The research found that increasing these to the level of 16 hours' work a week at the National Minimum Wage could increase lone parents' employment rate by 5.4 percentage points, lifting many more children out of poverty. This could cost the Government £790m a year, and would equate to a cost per job of £7,900, far lower than that of around £25,000 for Working Families' Tax Credit.

Question 7: What form might a ‘better off in work’ assurance for lone parents take?

49. Lone parents, like all parents, make the decision on whether or not to enter the workforce based on a wide range of factors – financial benefits are weighed against the effect of losing time with their children. Consequently, ‘better off in work’ might not be a simple calculation of changes to income. Lone parents should not be denied the choice about how best to combine work and family life that is currently available to parents in couple families.
50. Daycare Trust supports the suggestions of One Parent Families on providing an effective system to help lone parents into work through tailored voluntary support, financial incentives and opportunities for development, as provided by NDLP and other pilots (see response to question 14).

Question 8: Are any special provisions required for lone parents who move onto benefits other than Jobseeker’s Allowance (for example, Employment and Support Allowance or Carer’s Allowance)?

Question 9: In addition to the improvements in childcare provision and the right to request flexible working, is there further support that should be provided to help lone parents into work and support them whilst there?

Flexible and atypical working

51. All parents, but particularly lone parents, need both their employers and their childcare setting to be flexible and adaptable to their needs. Research shows that lone parents who are not in paid employment find the lack of sufficiently flexible work to be a substantial barrier to entering the labour market. Parents need to know that their children are cared for in a safe environment and to work at hours that enable them to do this. This requires employment that is sufficiently flexible to deal with school days, holiday time, periods when children are sick and when childcare arrangements break down.
52. The introduction of the right to request flexible working was an important step in the right direction, however, Daycare Trust believes that the time is now right to extend this principle to parents of older children, and preferably to all workers. We urge the Government to commit to this important step as this would help those lone parents with older children who are ready to move into work balance their home and family life. Without it, lone parents will face real difficulties in juggling their employment around school hours. By extending flexible working to all this would limit the stigma that parents can feel when making a request.
53. The right to request flexible working only applies once an employee has been in work for 26 weeks. This means that lone parents cannot request flexible working when they start work and the rule actually precludes many from entering employment. As a member of the Working Parents Group, Daycare Trust argues that the 26 week rule should be removed to enable flexible working from day one of employment.
54. The incidence of atypical working is now the norm rather than the exception. However, whereas parents in couples frequently rely on ‘shift parenting’ to cover working outside of Monday to Friday 9am to 5pm, lone parents are less likely to have this option and more likely

to use informal childcare. The Parents' Childcare Survey showed that, in 2004, 61 per cent of working lone parents were working atypical hours. Of this group 64 per cent were using informal childcare, whereas 52 per cent of lone parents not working atypical hours were using informal childcare. The survey also showed a potential unmet demand for childcare. A third of lone parents working atypical hours reported problems with childcare when working early mornings – this compares with 16 per cent of couples. A further 27 per cent of lone parents working atypical hours reported problems with childcare when working after 6pm – a similar proportion of couples (26 per cent) working atypical hours reported problems with childcare when working at this time.

55. The evidence on lone parents working atypical times and the lack of out-of-hours care suggests that the Government should further investigate how best to provide care at atypical hours. One possible idea is to further explore the National Sitter Service, funded by the Scottish Executive. Evidence from the evaluation of the Childcare Affordability Programme might also direct policy development in this area.

Childcare during school holidays

56. Families – and especially lone parent families – also face problems as a result of a lack of suitable year round services to provide care during school holidays. The 2004 Parents' Childcare Survey points to substantial unmet demand for holiday care. Three-fifths of respondents using formal childcare said that their provider did not currently offer holiday care and 43 per cent said that they would like their provider to be open in the holidays. Lone parents were particularly likely to express a need for holiday care (57 per cent).
57. As the numbers of families using out-of-school clubs and holiday care remains low, Daycare Trust believes that the Government should provide further funding to increase the availability of these types of provision. As mentioned in the response to question 2, as the costs of holiday and out-of-school care present a financial barrier for families who are on a low-income, including lone parents entering paid employment, these services should be free for poorer families, possibly passported in the same way as free school meals. Out-of-school activities for 11-14 year olds should be subsidised, aiming ultimately to make them free.
58. The Daycare Trust's 2007 Holiday costs survey found that 53 per cent of Children's Information Services (CIS) in England said that parents report a lack of affordable, quality childcare during the summer holidays.¹⁷ Only 46 per cent of CIS thought that there were sufficient holiday play scheme places for children in their area. The problem was identified as being particularly acute for disabled children and children aged 12 and over. Only 28 per cent of CIS said that there were sufficient holiday club places for children aged over 12. The survey also showed that thirty per cent of CIS reported a decline in the number of holiday places between 2006 and 2007. During school holidays parents can face obstructively high costs for childcare, with the survey finding an average cost of more than £80 per week.
59. Research conducted by Daycare Trust on lone parents and their childcare needs showed that having satisfactory childcare arrangements in place during the summer holidays is crucial for lone parents entering the workforce.¹⁸ Parents spoke of a lack of affordable, high quality childcare provision and of the problems this gap causes. One parent said:

“And you can take you [annual leave] to coincide but then you've got to have somebody to help out here and there and if you've no family...you're stuck and you're so scared to

go back to work in case you've got to work and she's off school and you're going to lose your job..."

60. Lone parents in this research suggested term-time working as an effective means of helping them into employment – this also came out very strongly in research conducted on behalf of DWP.¹⁹ Daycare Trust is encouraged by the Local Employment Partnerships announced in the Budget and outlined in the Green Paper. It is crucial that employers who sign up to the 'Jobs Pledge' commit to providing family-friendly employment, including the right to request flexible working for all parents, job-shares and to consider the possibilities of term-time working. Jobcentre Plus should play a role in encouraging employers to offer flexible working and they should also be responsible for promoting and brokering flexible working arrangements.

Question 10: What more could we do to help working families – especially those from the most disadvantaged backgrounds – improve their earnings and lift themselves out of poverty?

Question 11: What more could we do to help ethnic minority women, particularly of Pakistani and Bangladeshi origin, overcome specific barriers they face?

61. The Department have had for some years now a PSA target to reduce the ethnic minority employment gap yet progress on it has been slow and higher rates of 'economic inactivity' and unemployment continue among some ethnic minority groups. Children in black and minority ethnic (BME) families are more likely to be in poverty and this is closely linked with labour market disadvantage. The DCSF Parents' Childcare Survey showed that children of Pakistani and Bangladeshi ethnicity had the lowest use of childcare compared with white, Black Caribbean and mixed race ethnicity. Just 12 per cent of Bangladeshi children and 15 per cent of Pakistani children used formal childcare in the last week, compared with 47 per cent of Black Caribbean children 33 per cent of mixed race children and 31 per cent of white children. Research shows that the reasons for using childcare differ among ethnic groups.²⁰ For example, Black Caribbean families have a high use of childcare and this is likely to be linked to high levels of lone parenthood and full-time maternal work. Asian families tend to cite educational reasons for using childcare. BME families generally are more likely to need childcare provision at weekends and evenings, which tends to be costly and difficult to arrange.
62. Research conducted by Daycare Trust *Listening to black and minority ethnic parents about childcare* showed that black and minority ethnic (BME) families feel very positive about the benefits that the right childcare can have for their children and families but some find it difficult to access information about finding childcare. Some BME parents felt very strongly that their culture should be represented at the childcare setting, and that they would only feel comfortable leaving their children in childcare if there were staff of the same ethnicity. The research found a general preference among BME parents for group care over childminders as it was thought to be safer, of higher quality, and more education-based. It was also thought that there was a lack of flexible hours provision, evening and weekend childcare to fit with the requirements of BME parents, especially lone parents.
63. Consequently Daycare Trust would argue that, in terms of helping more Bangladeshi and Pakistani lone parents into work, it is essential that appropriate help is providing in helping

them to find appropriate childcare. Recommendations from our *Listening to BME parents about childcare* research included: encouraging children's centres and other childcare providers to create more innovative ways of engaging the local BME community and prioritise outreach; making base-line training in race equality and race/cultural awareness compulsory for all childcare training courses for all staff; conducting local recruitment campaigns to encourage BME groups to consider childcare as a career option; and to meet the current requirements to ensure childcare sufficiency for every local authority, childcare arrangements must be tailored to work around family's needs by ensuring that settings increase the flexibility of hours of operation and operate for longer hours.

Question 12: In exchange for more specialist support, are we right to ask more of those who have been unemployed and receiving benefit the longest?

64. It should be considered that those who are receiving benefit for the longest time are probably doing so for a reason. Lone parents whose youngest child is aged 11 or over are significantly more likely to be disadvantaged in the labour market. For example, they are:

- more than twice as likely to say they have a health problem or disability (50 per cent of those on Income Support);
- four times more likely to have no qualifications (40 per cent of those on Income Support);
- over three times as likely to be a social tenant (70 per cent of those on Income Support live in social housing).²¹

65. Consequently, efforts to get this group of lone parents – who are so far removed from the labour market – into work will require tailored and flexible support which must be ongoing. Jobcentre Plus advisers must ensure not only the right job match, but that the employment is sustainable. Advisers must ensure that all aspects of job entry are supported including sourcing and paying for childcare; ensuring that the lone parent really will be better off financially in employment; clarifying and assisting a full benefit and tax credits check to ensure that they are claiming all they are entitled to; and making sure that their housing situation is secure.

Question 13: Should there be any exceptions to this approach of increased conditionality and increased support?

66. As mentioned in response to question 3, more support should be made available to parents of disabled children, both in terms of financial assistance and employment support.

Question 14: Is a structured, progressive regime of support and conditionality at fixed intervals the right approach?

67. No, we do not believe that a structured, progressive regime of support and conditionality at fixed intervals is the right approach. Over the past decade there has been extensive research into the many policy initiatives and pilots on supporting lone parents, and others, into work. Using these as a basis, One Parents Families evidence to the Work and Pensions Committee set out their suggestions for what an effective system for lone parents should

look like. They suggest a mix of tailored voluntary support, financial incentives and opportunities for development – as provided by NDLP and other pilots. More specifically, as they point out, the proposed regime for lone parents represents a considerable divergence from the approach taken for another large group of ‘inactive’ claimants – those on incapacity benefits. For this group, under the new Employment and Support Allowance regime claimants receive tailored help and financial incentives for engaging in work related activity rather than the threat of sanctions for failure to do so. Increasing the support for lone parents to return to employment could be more constructively done under a system that focuses on incentivisation and support rather than sanctions. Daycare Trust supports this policy recommendation and again stresses that lone parents should not be moved onto a punitive JSA regime until they can be guaranteed that quality, affordable childcare is available for their children.

Question 15: Should some people be enabled or required to enter the Gateway stage more quickly than others, taking account of their employment history or needs? Which groups should be ‘fast-tracked’?

68. Some lone parents might want to access the more intensive support offered at the Gateway stage and it should be clarified how people can gain access to this provision earlier than the planned 12 month period. Rather than specifying which particular groups should be fast-tracked, it would be better to make it clear that this is an option which lone parents can chose, should they wish to do so, without being mandatory.

Question 16: Should we require a period of work experience from those who do not succeed in getting work after benefiting from a more intensive level of help from specialist providers? How can we best ensure that this work experience is beneficial?

69. Any requirement to take up work experience should take into account the childcare needs and wishes of the lone parent. Full support should be given to ensure that they are given appropriate assistance at finding the right childcare place for their children. Any work experience period should provide the financial assistance of the full costs of childcare.

¹ See, for example Paull G., Taylor J, Duncan A. (2002) *Mothers’ employment and childcare use in Britain*. London: Institute for Fiscal Studies.

² Hosain M and Breen E (2007) *New Deal Plus for Lone Parents Qualitative Evaluation*, DWP research report no 426, CDS, and Thomas A (2007) *Lone Parent Work Focused Interviews: Synthesis of findings*, DWP Research Report No 443

³ Bryson *et al*(2006) *Childcare and early years provision: a study of parents’ use, views and experiences*, DfES Research Report 723

⁴ Daycare Trust (2007) *Childcare nation?*

⁵ Lyons, Barnes and Sweiry (2006) *Families with children in Britain: Findings from the 2004 Families and Children Study*, DWP Research Report No 340, Corporate Document Services

⁶ Daycare Trust (2007) *Op cit*

⁷ Daycare Trust (2007) *Op cit*

⁸ Daycare Trust (2007) *Listening to lone parents about childcare*, p13

⁹ Morris *et al* (2005) *Effects of welfare employment policies on young children: New findings*, Social Policy Report 19: 3-22

¹⁰ Daycare Trust (2007) *Op cit*

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- ¹¹ Work and Pensions Committee Uncorrected Evidence 940, 25th July 2007, Q13
- ¹² Hoxhallari, L. Conolly, A. and Lyon, N. (2007) *Families with children in Britain: Findings from the 2005 Families and Children Study (FACS)* DWP Research Report no. 424, DWP
- ¹³ Daycare Trust (2007) *Listening to parents of disabled children about childcare*
- ¹⁴ McKay, S. (2003) *Working Families' Tax Credit 2001*. DWP Research Report No. 180, CDS: Leeds.
- ¹⁵ Daycare Trust (2007) *Childcare costs survey*
- ¹⁶ Bell, Brewer and Phillips (2007) *Lone parents and 'mini' jobs*, Joseph Rowntree Foundation
- ¹⁷ Daycare Trust (2007) *Childcare still casts a cloud over summer holiday*,
www.daycaretrust.org.uk/article.php?sid=316
- ¹⁸ Daycare Trust (2007) *Listening to lone parents about childcare*, p23
- ¹⁹ See for example, Bell A *et al* (2005) *A question of balance: lone parents' decision about work*, DWP Research report no 230, CDS: Leeds
- ²⁰ Bell *et al* (2005) *Use of childcare among families from minority ethnic backgrounds*, London: DfES
- ²¹ Haux T (2007) *Lone parents with older children and welfare reform – CASP Working Paper*