

Welfare Reform Bill - Second Reading House of Lords

(September 2011)



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Issues around childcare and sanctions

Most lone parents want to have the opportunity to combine paid work with the vital job of being a parent. The Welfare Reform Bill, however, fails to recognise that the required childcare infrastructure is lacking in many parts of the UK including Northern Ireland – particularly before school starts and after it finishes, and during school holidays – and is insufficient to meet the demands being made upon benefit claimants. There also continues to be a serious lack of childcare settings that are properly equipped -- and have staff properly prepared to deal effectively and positively with – children having disabilities, learning/communication/behaviour challenges or a wide range of additional support needs.

We believe that the UK Government should, therefore, amend the Welfare Reform Bill to ensure that claimants with a dependent child or children will not face sanctions if they are unable to work or to participate in work related activity, or have to give up work, due to a lack of suitable high quality, flexible, affordable childcare appropriate to the parent's and their child's/children's needs.

1. Childcare infrastructure

There is an urgent need to improve the level and availability of childcare provision, including out of school care for older children, across the UK and particularly in Northern Ireland. Different statutory frameworks covering childcare exist in England and Wales and in Northern Ireland. This has impacted upon the development, and availability, of childcare services across the UK. There is, for example, no UK-wide equivalent of the Childcare Act 2006, which places a duty on local authorities in England and Wales to secure, as far as is practical, sufficient childcare to meet the needs of working parents. The absence of a cross-cutting, integrated childcare strategy and lack a statutory duty to provide childcare in Northern Ireland has consequences for lone parents living in Northern Ireland in terms of conditionality, but this is not addressed in the current Bill.

A recent report (2010), based on the first of a series of childcare cost surveys to be commissioned by *Employers for Childcare Charitable Group (NI)*, highlights the need introduce safeguards in the Bill to ensure claimants with dependent children do not face sanctions due to a lack of access to proper childcare services in Northern Ireland:

- Parents in Northern Ireland are paying relatively high childcare costs that are increasing. Many families, after paying for childcare costs find their household has only fractionally more income than if they chose to stay at home;
- Many parents often have to compromise their work patterns to try to reduce overall costs. The survey found that 45% of the average weekly net salary of a parent in Northern Ireland is spent on childcare for one child. Many parents have to rely on a mix of formal and informal childcare to manage costs ;
- Average fulltime childcare costs varies from £157 a week for a day care nursery place, to around £152 a week a childminder, to £44 per week for breakfast clubs, to £78 per week for after-school clubs and £117 per week for holiday schemes;
- The average cost of day nursery provision in Northern Ireland (at £157 per week) is broadly similar to Scotland, Wales and England;
- The availability and costs of childcare provision varies across different parts of Northern Ireland and is difficult to access in rural areas;
- Parents of disabled children surveyed recently said they find it very difficult to access and meet the costs of suitable childcare provision and;
- As with other regions, there is widespread concern in Northern Ireland that the non-statutory childcare sector (i.e. anything other than pre-school entitlement) will face cuts and out of school care is thought to be vulnerable to cuts, but also where costs are expected to rise
- Local research ¹ also shows parents access for out of school care in NI has been severely restricted recently with a significant decrease in out-of-school clubs (49% fewer providers since 2010 and a 25% drop in such provision run by voluntary/community sector since 2009).

¹ Child care Costs Survey (2011) Employers for Child Care Charitable Group – yet to be published

Many of these trends have been echoed in the Daycare Trust's annual Childcare Costs survey, which identified a postcode lottery, and a patchwork of childcare availability, across the UK. The survey also revealed a huge gap in childcare provision, with only 20% of local authority Family Information Services able to state that they have sufficient holiday childcare in place to meet parental need - down from one third last year; whilst 63% reported that parents had complained of a lack of childcare in their area; *Daycare Trust, Annual Childcare Costs survey*, <http://www.daycaretrust.org.uk/pages/rapid-rise-in-childcare-costs-adds-to-family-finance-woes.html> .

Against this background and local research, we believe UK Ministers must ensure UK reforms imposing new conditions on claimants fully take into account the very different childcare arrangements and infrastructure in Northern Ireland, Scotland, England and Wales.

2. Childcare to enable parents to 'upskill' before their child is 5 years' old

Employment rates have risen, especially for lone parents - although the latest LFS figures also show high proportions of economically inactive lone parents in Northern Ireland. Further progress in this area, however, requires recognition that people with the least immediate chance of entering the labour market have diverse needs, and may require many types of support and opportunity other than going straight into a job. Accessible, affordable, flexible childcare for pre-school children is often unavailable, which means that many lone parents will not be able to access key support to improve their skills, or to take up opportunities in training, education or volunteering, which then affects their chances of moving into paid work. This will mean they will be required to comply with strict JSA regulations - sign on, apply for jobs etc - but will face serious difficulties in gaining employment, particularly as they are competing against better qualified job seekers, many of whom have recent work experience. Lone parents unable to access the required childcare will, therefore, find themselves trapped in a cycle of mandatory activity without great benefit to their prospects of sustainable employment.

3. Work-focused interviews

Parents with a child or children under the age of five are, in theory, not subject to the requirements sanctionable under Clause 26. While advice giving charities in Northern Ireland working with parents have had positive experiences of working with officials in Jobs and Benefits offices, they have also dealt with cases where parents have been pressurised into taking up training courses/employment opportunities, although their youngest child is under 5 years' old.

4. Parents with school age children

During the House of Commons' Committee Stage of considering the Bill, the Minister stated that, where a lone parent or nominated carer has a child above the age of 5, but under the age of 13, they can restrict their availability for work to jobs that match school hours. Unfortunately, in reality, this is not an option available to most lone parents. The types of jobs to which parents are often referred from Job Centre Plus are often not designed to work around the needs of children and family life. Jobs that are open to single parents entering the job market tend to have irregular hours with a start time before their child or children start school, or in the evenings and at weekends. Given the present dearth of jobs with good advancement opportunities, and no right to request family leave with a new employer, lone parents are limited in the jobs that they can apply for, trapping them into low paid, insecure, vulnerable employment. Evaluations of the New Deal for Lone Parents found that lone parent mothers tended to move into low-paid, low skilled jobs. In addition, the nature of jobs that are presently available can mean lone parents are asked to change their working pattern at short notice with the consequential effect on care for their children. The current position is that lone parents in receipt of Income Support with children over 7 will move on to Jobseeker's Allowance during 2010 and from October 2011 this will apply to lone parents whose youngest child is 5.

Furthermore, what happens during school in-service days, or when a child is sick or has a long school holiday? What childcare is available to meet these needs? What happens if the job causes harmful levels of family stress? It should also be recognised that difficulties with children's

behaviour may make paid work very difficult. Moreover, it is not just younger children who need childcare - young people over the age of 12 also need care, while their parents work or study. Choosing childcare for this age group can be difficult. Young people have their own, often strong, views on how they should be looked after, which can mean challenges for parents seeking suitable care. Such factors often make it very difficult for lone parents to sustain employment opportunities.

5. Childcare costs

In addition to assuming the availability of work, the legislation also ignores the stress involved if a parent is urged into accepting any kind of low paid employment that, in the end, could mean s/he is plunged into debt, and is worse off than previously, because of the burden of paying for childcare costs.

The impact of high childcare costs on family budgets has been exacerbated by the fact that working parents used to be able to claim support for up to 80% of the costs of their childcare but, from April 2011, this figure has now been reduced to 70%. There is also concern, underlined by new research commissioned by Gingerbread and the Resolution Foundation think-tank, that the UK Government's funding of childcare under the proposed Universal Credit could shatter its commitment to make work pay for lone parents. It is feared that the changes, to be implemented from 2013, may leave some parents facing the loss of over 94p in the pound as they increase their working hours, damaging work incentives:

- A lone parent with one child earning the minimum wage would keep only 6p of every pound earned for every hour worked over 24 hours a week;
- A lone parent on the minimum wage would only have £7.50 a week more in her purse if she decided to work 2 full days a week rather than 1, and £3 more if she increased from 3 days to 4 days of work; Gingerbread website, <http://www.gingerbread.org.uk/news/107/Going-full-time-not-an-option-as-childcare-reform-means-work-wont-pay-for-many-parents>

The Minister stated during the Committee Stage proceedings in the House of Commons that: "*Any action that a claimant is required to undertake must always be reasonable, including those requirements that could lead to a higher-level sanction if they are not met. Advisers must take all relevant matters, including childcare, into account when setting the action. Those matters include an individual's personal circumstances, capability and childcare needs.*" [House of Commons' Hansard, 26 April 2011] The above findings reinforce the need to ensure that the costs of childcare should be within the "relevant matters" the Adviser must take into account as good reason for a claimant not to take up employment.

6. Claimant's ability to fulfil work-related requirements

The Minister stated, in response to an amendment lodged by Anas Sarwar MP during the House of Commons' Committee Stage: "*The amendment stresses that childcare must be acceptable to the parent and the child, which is a principle that we agree with. However, where an adviser is of the view that appropriate childcare is available, a requirement can still be imposed. A failure to meet that requirement—for example, to take up a job offer—may result in a reference to a decision maker to consider a sanction.*" Unfortunately, it is not clear how the UK Government can claim to accept this principle, given the Advisor's discretion to overturn it - the consequences of which would be less money for the family, and increased child poverty?

7. Child's best interests

In order for lone parents to seek and find work, we must first understand their experiences of raising children on their own, and the major barriers they face in finding, and sustaining, work. The happiness and best interests of their children are central to their decision-making, but childcare – especially if the only available alternative is not of good quality or is inappropriate to the child's needs - can often be a cause of emotional distress for both the parents and for their children.

Reflecting this, a recent OPFS survey revealed that lone parents felt that current programmes of job support did not take into account what they need to do to make sure their children were happy and healthy. Lone Parent Advisers, for example, often assumed that family and friends could help

with childcare, but OPFS has found many do not have this option of support from extended family members (especially on a non-emergency basis). Lone parents who took part in the survey struggled to find childcare to support them with evening and weekend jobs, and many also reported that any (let alone good quality, appropriate) care for younger teenagers was even more difficult.

We believe it is not in the long-term interests of the UK Government or our society to undermine the current well-being or future prospects of children by forcing their parents to place them in inadequate or inappropriate childcare. Parents should have the right to choose the proper childcare for their child. They also need reassurances that their children will be cared for in a safe, secure and beneficial environment while they work or participate in any work related activity.

One of our main concerns, however, is that the current proposals will remove the right of parents to act in the best interests of the child, or to determine what constitutes those interests. It is, therefore, essential that any assessment of a claimant's access to childcare fully takes into account the child's best interests. The child, for example, might have: poor health or have a disability that a particular childcare setting is poorly-equipped to handle properly; be suffering emotionally/psychologically because of family breakdown that makes a specific childcare arrangement a negative experience; or, may not be able to thrive within a particular childcare facility for any of a variety of reasons.

We, therefore, recommend that within "relevant matters" the Advisor should be required to take into account, and to accord top priority, to the "best interests of the child", as enshrined in Article 3 of the UN Convention on the Rights of the Child. This principle is also enshrined in the Children (Northern Ireland) Order 1995, which provides that each child has a right to be treated as an individual; and that each child who can form a view on matters affecting him or her has the right to express those views if he or she so wishes; and that any intervention by a public authority in the life of a child must be properly justified and should be supported by services from all relevant agencies working in collaboration.

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