

An impossible bind

Requirements to work under Universal Credit



About Gingerbread

Gingerbread is the leading charity working with single parent families. Since 1918 we've been supporting, advising and campaigning with single parents to help them meet their family's needs and achieve their goals.

We want to see a society where single parent families are valued and treated equally and fairly. And whatever success means to a single parent – a healthy family, a flexible job, stable finances, or a chance to study – we work with them to make it happen.

Acknowledgements

We would like to thank Camden Council who worked with Gingerbread and agreed to be used as a case study for this report.

Gingerbread would also like to thank single parents for their participation throughout the project. Without their input, it would not be possible to conduct this work and we are grateful for the opportunity to learn more about the reality of policy change.

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Summary

The roll-out of Universal Credit (UC) is facing many significant challenges; from delayed payments to spiralling debt; from a lack of information to huge variation in the quality of work coaches. These are no longer teething problems, but are significant challenges that require solutions in policy and practice. Gingerbread, together with many others will continue to press for the much needed improvements.

As the pace gathers on the roll out of UC there are other changes that have not gathered as much attention; this project seeks to shed light on one of those changes. New conditionality requirements – where parents of three and four year olds – are required to look for work or risk being sanctioned have slipped into effect with very little attention. By the time UC is fully rolled out 220,000 parents – including 165,000 single parents – will be affected by these new rules. This research examines the change and what can be done to mitigate the likely negative impact as Universal Credit continues to be rolled out.

This increased conditionality is a significant change. It is the first time that parents of pre-school aged children are subject to job-seeking requirements or risk being sanctioned.

Gingerbread worked with Camden Council who agreed to be used as a case study to understand the potential impact. In addition we spoke to single parents who are likely to be impacted by this change and reviewed literature.

The findings and conclusions point to a system where there is a gap between policy and practice; where the Government's aim to 'make work pay' is undermined by a lack of available and affordable childcare and flexible work. The concern is that this policy will not be a catalyst for work; but rather drive single parent families into debt.

Key findings include:

- There is a shortage of part-time and flexible jobs. The part-time jobs that are available tend to be poorly paid and lack progression opportunities. And although there are efforts in Camden to improve the number of flexible jobs available, they are few and far between for this group of parents, making it very difficult to (re)enter paid work;
- Childcare costs remain high outside of the 15 hours free entitlement for children aged three and four. The Government's recently introduced 30 hour offer (15 hours additional for working parents of three and four year olds) is restricted to those in work (of at least 16 hours at National Minimum Wage or Living Wage). The extended offer is therefore not open to parents looking for work;
- There is a gap between the Government's aim to encourage parents of three and four year olds into work and making parents aware of the option to undertake training for up to a year to improve their job prospects; and
- The experience of many parents is that work simply does not pay. Parents are worried that they will be worse off under UC.

As a result of this research, immediate priorities for action are:

- Conditionality requirements should be suspended until sufficient childcare and flexible jobs are in place – as the lack of flexible work and childcare will expose this group of parents to the risk of being sanctioned and poverty;
- Design and promote genuine flexible work opportunities so that parents can combine working and caring for their children;

- Extend eligibility for 30 hours' free childcare for parents of three and four year olds to those in education and training to help those who need support to enter and progress in work; and
- Increase publicity about childcare support under UC and a register of providers where childcare provision can be combined.

Increased conditionality for parents with children aged three and four has arrived under Universal Credit. The requirement for parents with pre-school aged children to seek work or be sanctioned is currently unreasonable given the lack of accessible and affordable childcare and flexible work.

The evidence is mounting that UC is not working for single parents – most acutely with debt spiralling for many moving onto the new system. Increasing conditions for parents without the necessary infrastructure will do little to support parents. It will further undermine the Government's intention to 'make work pay'.

Introduction

The Government is changing the benefits system through Universal Credit (UC), with the aim of designing a system to 'make work pay' and to smooth the transition into work through a single framework. The difficulty arises in translating such a significant change into reality.

As part of a package of welfare changes, parents of three and four year olds will need to be looking for work as a condition of receiving UC. The Government estimate that by the time Universal Credit is fully rolled out, 220,000 parents will be affected; 75 per cent of those are single parents¹. In London, approximately 25,000 single parents will be affected by this change. This is significant as it is the first time that parents of pre-school aged children will be subject to job-seeking requirements or risk being sanctioned.

1 DWP (July 2015) Welfare Reform and Work Bill: Impact Assessment of the change in conditionality for responsible carers in Universal Credit

Gingerbread has been working with Camden Council who agreed to be used as a case study – to look at childcare and job sufficiency in relation to this change in conditionality. Universal Credit will start to be rolled out for new claimants in Camden from September 2018².

2 DWP (2016) Universal Credit transition to full service

Camden has many existing initiatives supporting parents into work including projects to increase maternal employment – such as an enhanced childcare offer for all three and four year olds; being a Timewise Council which includes promoting the number of advertised part-time and flexible jobs; investing in apprenticeships for mothers including designing schemes with part-time time hours and enhanced apprenticeship pay; and employment support services offered alongside Jobcentre provision based in children's centres. These initiatives and policies have been designed to support parents into sustainable work whilst recognising parents' caring responsibilities.

This report begins by outlining the conditionality requirements and how they fit into the wider welfare reform agenda. It then shifts to a focus on parents in Camden and how they might be affected. The aim is to develop recommendations that support Camden and other local authorities to prepare for the changes by identifying how policy and practice could be adapted to support parents.

The case study is based on reviewing existing data and literature, interviews with single parents in Camden³ who will be subject to new conditionality requirements, as well as working with colleagues in the Council.

3 See Appendix

The research suggests that currently there is insufficient childcare provision and access to flexible work to support this group of parents. We make practical suggestions as to how the local provision of childcare and jobs might be improved and recommendations for national policy change. In its current form increased conditionality is unlikely to have the desired impact of supporting parents to (re)enter work.

Single parents: increased conditionality in context

Under welfare changes being rolled out, since April of 2017 parents of pre-school aged children need to look for work as a condition of receiving out of work benefits⁴. This is a significant change in that it is the first time that parents of pre-school aged children must look for work or risk being exposed to sanctions.

Conditionality – as it is experienced by single parents today – has been shaped by a succession of welfare reforms over the last few decades⁵. The rationale for conditionality – that claimants need the ‘stick’ of conditions and sanctions as well as the ‘carrot’ of financial and employment support to seek work – is now accepted by policymakers across the political spectrum. Rules have tightened up under successive governments. For single parents, this shift was most notable under successive Labour governments in the 2000s.

Before 2008 single parents with a child aged up to 16 could be on Income Support and were not obliged to job seek. But since then, there has been a rapid change in work requirements for single parents. Single parents were initially required to look for work when their youngest child reached twelve; then from 2009 when their child turned ten; at seven in 2010; five in 2012 and now when their youngest child turns three. In under a decade single parents job seeking obligations have changed from when their youngest child reached sixteen to now when their youngest child is three years old.

This focus on increased conditionality has had mixed results. The scheme showed some success at supporting parents into work – with the employment rate of single parents increasing – although it proved hard for many to maintain and progress in work⁶.

This increased ‘conditionality’ does not account for the factors that often influence decisions about work and especially maternal employment. Individual preferences about whether to work or look after children, the impact on child wellbeing, the availability of work, the potential for flexible working and the quality of childcare are just some of the important issues that parents consider. The evidence suggests that overall many mothers do want to work and/or increase their working hours; but that the lack of affordable childcare, and/or the lack of flexible work are significant barriers⁷. For single parents, the challenges can be more acute, with the cost of childcare often a higher proportion of a single household income, as well as being responsible for most or all of the logistics of dropping off and picking up a child from childcare.

Extending conditionality to parents of pre-school aged children is part of the wider welfare changes - which are having a disproportionate impact on single parents. The latest data shows child poverty rates increasing especially in single parent families, with nearly half (47%) of children in single parent families now living in poverty⁸. There has been a surge in the risk of poverty for children even where a single parent works full time⁹. A third of children with a working single parent (either full or part time) are now in poverty. In publishing figures showing that in-work poverty had increased, the Government maintained that ‘work is the best route out of poverty’¹⁰ but the latest figures do not support that claim.

In addition to the rise in child poverty rates in single parent families, cuts to the work allowance under UC will disproportionately hit single parents. With one million working single parents expected to claim UC, single parents are hit hard. Gingerbread’s analysis shows that cuts to the work allowance are most stark¹¹. The average working single parent will lose at least £800 a year on average (3.9 per cent of income) in real terms by 2020/21. The poorest working single parents lose most as a share of income – the poorest fifth will lose at least seven per cent – nearly a month of their income. The Resolution Foundation and the Institute of Fiscal Studies found single parents face weaker incentives to be in work as a result¹². These cuts matter as it undoes a central way in which UC was meant to improve work incentives. Work no longer pays for many single parent

4 Welfare Reform and Work Act 2016

5 For more background see Rabindrakumar, S (2017) On the rise: single parent sanctions in numbers. Gingerbread.

6 Griffiths, R (2011) Research Report 732 Helping move parents into work and evaluation of the extension of the new deal for lone parents and in work credit

7 See for example S Rabindrakumar, S. and Hirsch, D. (2015) Paying the Price: The childcare challenge. Gingerbread & (2016) Upfront: a childcare deposit guarantee

8 Gingerbread (2017) Dramatic spike in child poverty for working single parent families. Press Release 16 March 2017

9 Gingerbread (2017)

10 DWP (2017) Household incomes remain highest on record, DWP Press Release 16 March 2017

11 Gingerbread (2015) Paying the Price: The Impact of the Summer Budget on Single Parent Families

households.

There are other welfare changes that will affect single parents. For example:

- Gingerbread's analysis shows that more than half (52%) of all households to fall under the benefit cap are home to a single parent with a child aged 0-4 years of age¹³. The high cost of housing in Camden makes this a particular challenge for the 600 households in Camden that the Government estimate will be affected¹⁴.
- Universal Credit also introduces 'in work progression'. So as well as a requirement to move into work in the future, all claimants will be expected to try to progress in work, to become less reliant on in-work benefits. Such claimants might be encouraged to earn more through increased hours or a pay rise in their current job, taking on additional jobs or finding a completely new job. There will be pressure on single parents to increase their earnings especially as their children get older. So the importance of single parents with pre-school aged children to not only secure a job but secure a job that has the potential to increase earnings has become important. Training and helping single parents to move into work that offers them pay progression will become increasingly significant.

Despite a limited cohort on UC to date, Camden Council submitted evidence to the Work and Pensions Select Committee highlighting some concerns on the impact on claimants given that payments are in arrears and the lack of data sharing from the DWP. The recommendations refer to those already on UC in Camden, but given that the recommendations focus on administration and sharing of resources, if not addressed, they have the potential to also affect families entering UC.

Recommendations were:

- "Data sharing needs to be improved in order to support the tenant and prevent loss from the public purse. We recommend that a review of data-sharing activity takes place that takes a whole-system view of the needs of a UC claimant.
- The seven-day period wait for payment of housing costs causes undue hardship, increases the risk of homelessness and should be removed.
- Payment in arrears to claimants with no other source of income or savings, and who are not leaving work causes severe hardship and should be reconsidered.
- There needs to be a robust system by which feedback can be given to local partners at DWP and recommendations considered and acted upon."¹⁵

Early challenges to the roll-out of UC¹⁶, together with the expansion of conditionality, are all set against the background of higher inflation which is likely to see child poverty rates rise sharply by 2021/22.¹⁷

12 Finch, D. and Whittaker, M. (2016) Under New Management options for supporting 'just managing' families in the Autumn Statement, Resolution Foundation & **Browne, J., Hood A. and Joyce, R. (2016)** The (Changing) Effects of Universal Credit, IFS

13 Gingerbread (2016) Third of homes hit by the benefit cap are single parents of babies and toddlers. Press Release 4 November 2016

14 DWP (2016) Welfare Reform and Work Act: Impact Assessment for the benefit cap

15 Camden Council (2016) Written evidence submitted by London Borough of Camden (UCU0125)

16 Foley, B. (2017) Delivering on Universal Credit, Citizens Advice

17 Hood, A. and Waters, T. (2017) Living standards, poverty and inequality in the UK: 2016-17 to 2021-22 – Appendix. Institute for Fiscal Studies

Availability of childcare

The availability of affordable childcare is shown to be strongly connected to maternal employment rates.¹⁸ Although the maternal employment rate has risen sharply in the last 5 years, the maternal employment rate for those with pre-school aged children remains stubbornly low.

Analysis by Gingerbread shows that between 2010-2015, the single parent employment rate in London rose from 48 per cent to 63 percent, faster than elsewhere in the UK.¹⁹ But the share of single parents in work drops significantly for those with pre-school aged children. Nationally, the share of single parents in work drops from 64 per cent to 45 per cent for those with pre-school children, and lags behind couple maternal employment rate (67%). In London the same pattern is evident with 49 per cent of single parents with children under 5 in work compared to 58 per cent of mothers in couples.²⁰

There are of course a range of factors that explain these differences, that include parental preferences and the structure of the labour market, but the availability and affordability of childcare has been an important variable in explaining the difference. Research has shown that affordable childcare for mothers with younger children, fewer qualifications, and single parents could boost the maternal employment rate.²¹

Thousands of single parents in London are being locked out of work due to the high cost of childcare. The latest figures from the Family and Childcare Trust show that parents in London are paying a third more than the national average on childcare; with a part-time place for a two year old costing on average £141 a week.²² This cost is crippling for many families, but has an acute impact on single parent families. Single parents in London with children aged under two are often spending around half their take home pay on childcare.²³

Previous Gingerbread analysis shows a financial shortfall for single parents in London – especially for those on lower wages in the current system; projections show that the shortfall remains for when UC is fully rolled out²⁴. The FCT suggest that parents working in minimum wage jobs are taking home £1.96 per hour after paying for childcare.²⁵ From any perspective the cost of childcare is prohibitive for London's low-paid.

Many single parents want to work and / or increase their working hours, but that the cost of childcare is a significant barrier alongside the lack of flexible work. Findings for the Department for Education show that 31 per cent of single mothers would work more hours if they had access to good quality and accessible childcare;²⁶ and a report from the Social Mobility and Child Poverty Commission reveals that "57% of working-class parents and 40% of middle-class parents would have liked to work more hours but their perception of the cost of childcare was a deterrent."²⁷

In short, the high cost of childcare locks many single parents out of work; with a sharp impact on those with less ability to command high wages. And this is a particular concern when focusing on a group of parents with young children. But it is not the only concern.

The Government has recently introduced 30 hours provision for working parents of three and four year olds, and a new Tax Free Childcare scheme is being rolled out – although those on UC won't be eligible for the latter. The question of eligibility is of concern for the implementation of the Government's 30 hour policy. Eligibility is based on working 16 hours at the national minimum or living wage. But many single parents – who are jobseeking or who are in low pay jobs and / or on zero-hour contracts, are likely to miss out. Gingerbread's analysis has already shown that tightening up the criteria to 16 hours from 8 hours at national minimum wage or living wage would see 20,000 working single parents (who would have been eligible with 8 hour work requirement) losing out on essential childcare support.²⁸ Others have raised concerns about capacity of the market to deliver.²⁹

This flagship programme hailed as a policy to support parents into work is unlikely to reach many

18 Ben-Galim, D. and Thompson, S. (2014) *Childmind the Gap: Reforming Childcare to Support Mothers into Work*. IPPR

19 Gingerbread analysis. ONS (2015) *Quarterly Labour Force Survey Household Dataset, April-June 2015*. Colchester, Essex: UK Data Archive. SN: 7817

20 Gingerbread analysis. ONS (2015)

21 D Ben-Galim and S Thompson (2014)

22 FCT (2017) *Childcare Survey 2017*

23 Rabindrakumar, S. and Hirsch, D. (2015) *Paying the Price: The childcare challenge*

24 Hirsch, D. (2015) *Paying the Price: Childcare in universal credit and implications for single parents*. Gingerbread

25 FCT (2017)

26 DiE (2016) *Childcare and early years survey of parents: 2014 to 2015*

27 Gulc, B. and Silversides, K. (2016) *Parents' experiences of services and information in the early years*. Social Mobility & Child Poverty Commission

28 Gingerbread (2016) *Thousands of single parents will miss out under Childcare Bill*. Press Release 24 January 2016

29 Pre-school Learning Alliance (2016) *Childcare providers fear closure over 30-hour offer, survey reveals*. Press Release 2016

of the parents subject to new conditionality criteria. Their children will still be entitled to the early years education entitlement, which is 15 hours a week during term time. Never intended to be an employment policy, it is often argued that 15 hours is best delivered every day for a couple of hours for children's learning and development.³⁰ As such, it is difficult to fit in paid employment without affordable wrap-around provision. The childcare support is unlikely to be available; the places aren't necessarily there and the cost is simply too high.

30 For example see Eisenstadt, N. (2011) Providing a Sure Start: How Government discovered early childhood. Policy Press, Bristol

Part-time and flexible jobs

A majority of employees in the UK already in a job have access to flexible work options. Flexible work options are often seen as a way to help women – and especially mothers – manage family responsibilities and work. But the extent to which this work is genuinely flexible is questionable.

Changes to the labour market may also affect the nature of ‘flexibility’. The recent rise in the employment rate has been partly fuelled by increases to self-employment, part-time work, and zero-hour contracts. Some argue that this symbolises a rise in entrepreneurship and flexibility. Others are concerned that it reflects a rise in precarious employment, particularly for the low paid.

Analysis shows that over two-thirds of single parents enter the three lowest paid occupation groups³¹ – some ‘downgrading’ to balance work with care, others with few qualifications.³² Those on low incomes are least likely to find flexibility accessible. Moreover, they are often not in a position to be able to sacrifice hours and wages as required for some flexible work.

The way that work is arranged, and employees’ level of autonomy over working hours, can have a big impact on accessing employment opportunities and then, once in work, how well people reconcile paid work with other commitments. An important indicator for flexibility is how employees’ hours are set, and who has control over this. For example, fixed starting times set by an employer may conflict with the varying and changing needs of families. It means that flexible working in its current form is sometimes not very flexible at all. The prevalence of rigid scheduling, especially in low-income jobs, often means that even flexible work is not sufficient for meeting care-giving demands. It can also be a barrier to employment; for example a zero hour contract may not offer an unemployed parent with the security of income needed to arrange childcare and be a factor in remaining out of work.

The ‘right to request flexible work’ is enshrined in legislation meaning that all employees are entitled to request a change to their working hours if they have been employed with the same employer for at least 26 weeks. This enables many to alter their working hours once in work, but it can be a barrier for entry into employment. And there is very little flexibility available when looking for work.

Part-time work is a particularly important source of employment for single parents with three quarters of single parents entering work on a part-time basis.³³ The availability of flexible working including part-time hours is crucial for single parents with a younger child, where many single parents of young children report flexible work being very important in their search for employment.³⁴ Indeed welfare rules state that single parents with younger children are not expected to work full-time.³⁵

Single parents with a child aged three or four are obliged to seek work of up to sixteen hours a week.³⁶ However, this type of work can be difficult to find. Single parents must rely on advertised flexible and part-time vacancies and demand for these jobs outstrips supply. The proportion of ‘quality’ jobs (that pay at least £20k FTE) which are advertised with flexible working options is only 9 per cent compared with 20 per cent amongst lower paid jobs.³⁷ The supply of quality flexible work is lowest in London (7.2%). There is also a strong link between low pay and part-time work which is a particular issue for single parents who are often the sole earner in a household and also have majority responsibility for the care of their child.

31 Work Foundation analysis of Labour Force Survey data, unpublished. See Newis, P (2012) It's off to work we go? Moving from income support to jobseeker's allowance for single parents with a child aged five. Gingerbread

32 Gingerbread (2012) The only way is up. Gingerbread

33 Sissons, P. (2012) Quantitative background paper on the introduction of LPO for single parents, Work Foundation (unpublished)

34 BIS (2012) Work Life Balance: fourth employee survey

35 DWP (2017) Universal Credit 'Your responsibilities'

36 Ibid

37 Timewise (2016) Flexible jobs index

A deep dive into Camden

Gingerbread has been working together with Camden Council – who agreed to be used as a case study – to look at the roll out of increased work conditionality for parents of three and four year olds. Under UC this will start to be rolled out for new claimants in the Borough from September 2018. The case study is based on reviewing existing data and literature, interviews with single parents in Camden³⁸ who will be subject to new conditionality requirements, as well as working with colleagues in the Council.

38 9 telephone interviews took place in January 2017

Following a brief overview, the voices of interviewees are brought in to illustrate particular parent journeys through childcare, employment, training and welfare.

Like other London boroughs, Camden has a mix of social and economic conditions with affluence and poverty side by side. Two-thirds of children in single parent households are living in poverty in Camden.³⁹

39 Data from Camden Childcare Sufficiency information

Camden has many existing initiatives supporting parents into work. The Equality Taskforce in 2013 identified one of the key structural barriers driving inequality for families as being the low rates of maternal employment in London.⁴⁰ It was concluded that low rates of maternal employment were largely caused by two factors: a lack of quality, flexible or part-time jobs and the high cost of childcare. As a result Camden Council has led the way to support mothers to (re)-enter work. Recognising that the existing 15 hours is a policy aimed at supporting children's educational development, for a number of years the Council has been offering all three- and four-year-olds 25 hours of free nursery education a week in maintained settings. The Council also sought to improve the number of flexible and part-time job opportunities. Camden Council was the first Local Authority to become a Timewise Council in London in 2014; committing to embrace flexible working through the councils own recruitment practices and encouraging employers in the Borough to advertise more part-time and flexible job opportunities.

40 See Camden Equality Taskforce website for more information

Camden has also been at the forefront of encouraging apprenticeships particularly targeted at mothers aged over 25 into flexible part-time apprenticeships paying the London Living Wage. The pilot results were published in December 2016 and showed the value of mothers having the opportunity to improve their skills and work flexibly. An evaluation of the adult apprenticeship programme showed that those individuals who completed an apprenticeship were more likely to be employed and to be earning more when they were in work.⁴¹ The apprenticeships were expensive to run and the financial payback of increased earnings and tax would take some years to recoup although in the context of a person's working life increased earnings would be beneficial to the individual and the Exchequer. Gingerbread's analysis found that training and skills help to offer opportunities and make it more likely that someone will stay in work. Single parents with a level 3 qualification had longer periods of sustained work, spend less time on out-of-work benefits, command better wages and are more likely to secure increased working hours.⁴²

41 New Economics Foundation Consulting (2016) Evaluation of an adult apprenticeship programme: Camden Council. Draft copy from Camden Council

42 Gingerbread (2012)

But similar to the picture presented above, Camden cannot escape the wider impact of welfare changes; for example in the assessment that 600 households will be affected by the lowering of the benefit cap. The impact of this is particularly felt amongst the single parent families who live in the private rented sector. In order to escape the benefit cap parents need to move to cheaper accommodation or into work. In view of the high cost of rental property in the Borough most parents affected will feel pressure to move into work. The benefit cap rules mean that parents must move into work as quickly as possible without the opportunity to train or improve their skills. It will be much harder for this group to find and sustain work or hold out for a job that might offer them opportunities to progress in the future.

Finding employment: skills, childcare and availability of flexible work

Nine single parents who lived in Camden were interviewed over the telephone during January 2017. All the parents had a youngest child aged between two and four years of age.⁴³ The purpose of the qualitative interviews was to explore the impact and the practicalities of moving into work for these parents before the roll out of UC in Camden.

Skills and work experience

The parents interviewed illustrate the wide variety of work experience. Some parents were well qualified and had a solid work history but found it difficult to use those skills in the narrow range of jobs open to fit around caring for young children and the vast majority of jobs were advertised with full-time hours.

The interviewees included:

- Anita who was trained as an architect and has practiced in the UK and abroad. Before she had her child she worked full-time. She wanted to reduce her hours on return to work but wasn't able to work part-time. There is no industry specific guidance at the jobcentre and she found it difficult to work out how to translate her skills into town planning, and how to access part-time vacancies.
- Scarlet has Level 3 qualifications in childcare and counselling. She also has a qualification in management. She has worked in mostly management roles. Scarlet is studying to be a counsellor and cognitive behavioural therapist. She has been supported on her course and has not needed to be actively seeking work. This will change as she is only funded for the first year and will now need to become an active job seeker.
- Megan worked in a primary school for ten years as a teaching assistant. She has GCSEs, an NVQ in business studies and teaching assistant qualification. She wants to become a teacher.

Those parents with less work history and qualifications can find it hard to know where to start or how to develop their skills and prospects. There was a limited understanding of apprenticeships with most parents thinking they were too old to undertake an apprenticeship.

- Rachel has no formal qualifications. She thought she might want to do a personal training course or beauty course. She did look at doing an apprenticeship "but the money was so rubbish."
- Chika has no qualifications. Before she had children she was a registered childminder. She is thinking she might study beauty in the future.
- Laura has GCSEs. Before she had her child she worked in McDonalds and as a cleaner. Laura was brought up in care and as an adult has thought about training and working in a children's home but did not know how to pursue it. She was told by the jobcentre that that if she wanted to train she would lose her benefits.
- Kosi has GCSEs and AS levels. She also has a health and social care NVQ and has worked as a healthcare assistant but gave up this work when she was pregnant. She did start an apprenticeship scheme as a healthcare assistant when she was younger. She is worried about returning to healthcare work because of the unsocial hours which she would find it hard to combine with bringing up her child on her own. She is currently volunteering in reception and administration and is interested in developing her skills in IT or customer service.

43 The names of parents have been changed: Anita (child aged 3), Rachel (children aged 2 and 13), Scarlet (child aged 3), Chika (child aged 4 and two older children), Lam (child aged 4), Megan (child aged 4), Sarah (child aged 2), Laura (child aged 2), Kosi (twins aged 4).

Childcare and employment? Opportunities and barriers

Given that all interviewees had pre-school aged children, most parents said that they would prefer to start working flexibly, aiming to increase their hours as their children moved into school. Most considered that traveling 30–60 minutes for work was reasonable.

The issue that many found was a lack of flexible work opportunities. With many being unlikely to afford additional childcare given the high cost (see below), and a preference for increasing working hours as children started school, there is a clear lack of these jobs available.

Camden is a 'Timewise Council' which signifies that it is committed to developing flexible working across the borough as well as within its own HR practice. Recognising that there are a number of places that claimants look for work, the Council's own vacancies were analysed earlier this year. Of the 22 council jobs advertised on a particular day, 13 were described in the headline as full-time roles. Other roles in teaching did not state hours but made no reference to flexibility of hours; and a job in a childhood centre required 35 hours a week between 8am-4pm. Although there is reference in some adverts to Camden supporting flexible and agile working, there seems to be a mismatch between the jobs available and this commitment. To a parent looking for a part-time or flexible role, it is not immediately clear that they could apply for the 'full-time' roles advertised by Camden Council. Parents are also encouraged to search the Government's jobs website.

When claimants move onto job seeking benefits they can be asked to register on the Government job brokering website Universal Jobmatch.⁴⁴ Indeed time spent on the site and the number of applications applied from it can be viewed by a work coach at the jobcentre as evidence of a claimant actively seeking work. Analysis of this site during the research period also revealed very few part-time and flexible jobs available. On a particular day earlier this year, within a five-mile radius of Camden, there were 6564 jobs advertised as full time and 240 (4% of all jobs) part-time.

44 Jobmatch website

Not all of the 240 part-time vacancies are appropriate for parents; for example criteria for cleaning jobs that included overnight or very early morning work, and bar work that involved late evening shifts. There was an expectation with some of the vacancies that applicants needed to be willing to be flexible with the hours that they would do including "being capable of working long hours". Although there are many other places that claimants look for work, these examples provide useful insight into the difficulties in finding suitable flexible work for parents in Camden.

The single parents interviewed also told us that the jobsite was poor when looking for a part-time or flexible job. Megan was directed by her work coach to look at jobs on the site. She thought that it was "very complicated" and "not very specific". She found it difficult to find part-time jobs on the site which when you clicked on could be full-time or miles away. She had got a previous teaching assistant job through word of mouth. Scarlet knew about Universal Jobmatch and was directed to look at vacancies by her work coach. These jobs were in supermarkets and not in the health field where she was qualifying to work. Sarah talked about needing to go through nanny agencies to get work. On instruction she registered with Universal Jobmatch but this is not where she could find nanny vacancies. Kosi was told she needed to register on the site before her next appointment with her work coach. Laura had been on the site to look for work but she found the jobs were too far away from where she lives. What is meant to be a significant route into employment is clearly limited for many potential applicants.

These examples are illustrative of the wider trends suggesting that flexible work is in short supply for parents. The other side of the same coin to finding work is the availability and affordability of childcare.

It is difficult to fully assess childcare availability, but Camden's childcare sufficiency survey provides some insight of the current landscape⁴⁵ There is high demand for childcare in Camden. In 2016, Camden had 261 childcare providers supplying 5164 childcare places for children aged birth to 5 years. The majority of these places (2767) are in group settings for children aged over 2. There seems to have been a small net loss in places despite a rising birth rate. There are indeed high levels of occupancy (81%) with most daycare providers having no reported vacancies and that

45 Data from Camden Childcare Sufficiency information

when they do, they are quickly taken up. Vacancy rates of childminders tend to be higher with 71 per cent of childminders reporting a vacancy. In 2016, the average cost of a childminder was £6.71 in Camden, the lowest hourly rate is £5.00 and the highest is £10.

Interviewed parents were well versed in the childcare options available to them. The majority of parents were accessing the free entitlement for their children when they turned three. Many were eligible for the two year old offer and took it up.

Awareness of current provision was high, but there were lots of unknowns for parents if they wanted to re-enter work. A couple of parents had returned to work when their children were younger but had given up their job because of high childcare costs and the practical difficulty of combining work with the sole responsibility for a pre-school aged child.

- Megan's child accessed the two year old offer. She is now in the nursery attached to her local primary school. If she were to move into work Megan's daughter could not increase her hours in the current nursery setting. Megan has access to some informal childcare offered by her mother but this is on an ad hoc basis and could not sustain her in work. She thought when her child was younger that childcare was too expensive for her to work. "Childcare was part of the reason why I gave up work". Megan was unclear what help she might be offered now her child was older towards the cost of childcare if she were to move into work.
- Laura uses 15 hours free childcare for her two year old. She is unclear as to whether she would be able to increase her childcare hours if she moved into work. She is also unclear how she would access other childcare in Camden. She has no informal childcare through friends or family and so would need to rely on paid for childcare if she moved into work. She is not clear what help would be available towards her childcare costs if she were to move into work.
- Chika accessed the free nursery offer for two year olds and her child is now in reception. There is no after school club provision at her school. There is a collection service for an after school club at another school in Camden but this is currently full. In addition she has been looking for a childminder but has not found one because of high demand.
- Rachel uses 15 hours free hours at nursery term time. She was told about the free offer at jobcentre but found it quite a struggle to get her child a nursery place. Her child is in a private nursery and she already knows that it is full and it would not be possible to increase the childcare hours if she moved into work. Rachel is also unclear how much this would cost. The other nurseries she phoned were all full.

And importantly there are other gaps in provision, such as for those children who have additional needs. For example, Lan has a child in a nursery 9-3 between Tuesday to Friday. She has experienced domestic abuse and both she and her child need support. Lan is unclear how she would access additional childcare hours if she were to move into work. She has no informal childcare networks.

Parental preferences of childcare options also need to be considered as part of provision especially in extending conditionality to parents of pre-school aged children.

- Anita had used free childcare but her child had not settled. She knows how to look for childcare but does not think she could afford to go back to work. Her preference is a childminder or nanny rather than a nursery.
- Sarah is a qualified nanny but found it hard getting a nanny job where she can also take her child. She has been told by agencies that she would need to find childcare for her child in order to look after other people's children as a nanny. She has thought of becoming childminder but her accommodation is not considered suitable. She is now thinking about retraining into a profession that would have a better work-life balance like hairdressing.

The majority of parents interviewed did not have wider family and friends who could step in to provide childcare to help them work, most could only rely on this very occasionally to cover an emergency either because they lived far away, or were working themselves.

The jobcentre

Many of the parents appreciated the work that the Council has done in this area to date; this was mainly focused on building confidence and skills and delivered through Children's Centres. We also asked about other back to work support as well as their connection with the local jobcentre.

Engagement with the jobcentre was more mixed. Parents with pre-school aged children already engage with the jobcentre and undertake work preparation activity. The value of this engagement varied between parents as did the level of practical support on offer. Each participant commented that they had a personal adviser who they saw at the jobcentre.

Currently these work coaches have some flexibility in setting appointment times and goals. This was positive for a number of the parents who were interviewed. For example Sarah and Laura were both positive about their advisers. Sarah felt like she is not being pushed into work but if she did want to move into work they will help.

UC jobseeking requirements will mean that parents need to attend the jobcentre weekly. Some parents expressed concerns about the system and the limited discretion that they felt advisers have; others remarked that the jobcentre was ill-equipped for parents with pre-schoolers:

- Anita thought that her adviser was 'humane' but she thought that the jobcentre support was very limited. She was thinking about setting up a business and they could help her in applying for a loan but not helping her with training or her work direction.
- Rachel talked about the jobcentre being a hard environment to take young children and this could make it hard to focus at appointments. Rachel's son wanted to play with the automatic doors which were a worry to Rachel as the jobcentre was by a busy road. When she needed to attend an appointment upstairs "I couldn't keep him in the pushchair because I couldn't get it up the stairs." Rachel was disappointed not to be offered more practical help by the jobcentre including training and her adviser has not helped her to write a CV.
- Scarlet said that she was obliged to go to the job centre very frequently when her child was very young, about every six weeks. She thought that her adviser was "quite rude". Although her adviser has allowed her to be on her course she keeps putting pressure on her to get a job rather than train. She has been directed to apply for supermarket jobs. "But I am doing every thing in my power to do my best and develop a better future for me and my son."
- Chika is currently asked to attend appointments every six months at the jobcentre. She said she is starting to be pushed to move into work. The adviser does not suggest vacancies but does tell her to look for a job.

Support to move into work

As mentioned, the group of parents who will be subject to increased conditionality requirements tend to have lower level of qualifications. We therefore asked what kind of support they would want in moving into work.

Parents could feel stigmatized while on benefits and the majority were keen to move into work as their children got older. They could see that work was positive. Megan responded “I want to be in work. I don’t want to be in this situation... counting the pennies every month is hard work.”

However, there was some concern about parents being obliged to move into work when their children were three years of age.

Parents had practical suggestions. Rachel wanted help with writing a CV and also training opportunities. Anita felt she needed help to focus on how to use her skills and access jobs in town planning. Scarlet wanted jobcentre advisers to have a one to one discussion about support “rather than throwing them into a job” practical help including CV writing. Megan would also like more practical support to be on offer. Laura would like greater opportunities to undertake work experience so that parents had something fresh on their CV. Kosi would like courses that were work specific including IT skills. She also thought it would be useful to be offered practice interviews.

One parent received very positive career advice and help with her work direction from an adviser at her local children’s centre. She was grateful to Camden Council for this support away from the jobcentre.

Conclusion

Increased conditionality will see 165,000 single parents of three and four year olds at risk of being sanctioned if they are not actively seeking work. The project examined the national picture and how local authorities such as Camden can respond to the change. Some conclusions emerged:

Jobs

The evidence shows that there is a shortage of part-time and flexible jobs. The part-time jobs that are available tend to be poorly paid and lack progression opportunities. Camden is certainly making efforts to improve the number of flexible jobs on offer, but the number of vacancies remains low and there was a lack of understanding amongst parents interviewed of the flexible jobs that might be available to them in Camden.

Childcare

Childcare costs remain high outside of the 15 hours free entitlement for children aged three and four. The Government's recently introduced 30 hour offer (15 hours additional for working parents of three and four year olds) is restricted to those in work (of at least 16 hours at National Minimum Wage or Living Wage). The extended offer is therefore not open to parents looking for work.

Camden has been at the forefront of improving maternal employment offering 25 hours of free childcare for three and four year olds. This will be replaced with the national 30 hour provision. Camden Council intends to go a step further; a recent Cabinet decision has been approved to offer 30 hours to parents of three and four year olds based on the same eligibility as the 15 hour for two year olds where the criteria is based on being the 40% most disadvantaged.⁴⁶

Single parents interviewed for the project were largely positive about the 'free' childcare offer in Camden when their children were younger but had concerns about how childcare would work when they moved into employment including extending childcare with their existing provider or combining childcare (say with a nursery and a childminder). The majority of the single parents were concerned about the affordability of childcare and were unclear what childcare support they would receive under UC.

46 Camden Council (2017) Proposal for a new early years education and childcare offer for Camden in light of changes to national policy and funding arrangements (SP/2017/04)

Training

The Government's policy aim is to encourage parents of three and four year olds into work more quickly. However, they also recognise that this group of parents tend to be lower skilled and further from the job market. They have included a flexibility for this group for parents to undertake training for up to a year if this will improve their job prospects (as opposed to ten weeks for an average claimant). So far there has been little publicity of this flexibility and how it will work in practice. Camden has shown the value of training in improving job prospects including their adult apprenticeship programme. Some of the single parents who were interviewed for the project were keen to train and in some cases to undertake an apprenticeship. Many parents felt that training was at odds with their requirement to look for work and those that thought of undertaking an apprenticeship were worried about the low pay and whether an apprenticeship was open to someone who was older.

'Making Work Pay'

The Government intention is that Universal Credit will 'make work pay'. However, the work allowance under UC is less generous than the current system with the poorest households losing nearly seven per cent of their annual income. Most of the single parents interviewed for the project wanted to move into work although some were worried about whether work would pay. A couple of the parents had given up work because they didn't make enough to cover the childcare costs. As UC is rolled out, this will continue to be an area of concern.

Recommendations

Suspend universal credit conditionality requirements

Conditionality requirements for three and four year olds should be suspended until sufficient childcare and flexible jobs are in place

The lack of flexible work and childcare will expose this group of parents to the risk of being sanctioned and poverty. Jobcentres should enable advisers to use their discretion and delay the new conditionality requirements until sufficient flexible work and appropriate childcare is available. The DWP should amend their guidance to ensure that work coaches are empowered to use their discretion.

In addition the UC work allowance cuts should be reversed so that when a parent moves into paid work, that work pays.

Design and promote genuine flexible work opportunities

There is an urgent need to open up more advertised part-time and flexible jobs, including better paying roles. The Government must significantly increase the number of part-time vacancies on the Universal Jobmatch site, for example by incentivising employers who split full-time vacancies into two job share roles.

Camden should reconsider how it advertises current vacancies to make it clearer that roles are flexible. Job design and advertising could be a focus of the Timewise partnership. Single parents were keen to find employers who might be open to part-time or flexible work. Camden could also consider a register of employers in the Borough who routinely offer such work.

Eligibility for 30 hour childcare offer should include those in training and improving their skills

There is a pressing need for the Government to have joined up policy in relation to skills and training support for parents of three and four year olds and complimented with childcare support. As such they should publicise that training and skills acquisition is open to these parents for up to a year.

The 30 hours policy should be designed to support those aiming to access work and / or increase their working hours. The evidence shows that these are parents who are in low paid work, and in education and training. At the moment, these parents will miss out. Eligibility criteria should be extended to these groups.

In the meantime it is positive that Camden Council is designing a scheme that will support parents of three and four olds who are not eligible for the Government's current extended offer. Basing eligibility on the offer currently available to two year olds means that more parents in training and further education are likely to be eligible. This is likely to be a significant step forward identifying some of the gaps in central government provision where other local authorities and the Government should take interest.

It is also beneficial that the Council have shown the value of apprenticeships to increase parental employment. It would be helpful to extend the pilot to include more parents in the scheme particularly targeting those with pre-school aged children and publicise this within the Borough.

Increase publicity about childcare support under Universal Credit and a register of providers where childcare provision can be combined

There is a pressing need for the Government to publicise the financial help that will be available to

parents under the childcare element of UC. In addition the Government should help develop the Family Information Service so that parents can find a combination of care (such as a nursery and a childcare) which might be needed for them to move into work.

Camden could consider providing information about the childcare element of UC in the lead up to the policy introduction in the Borough in September 2018 and / or signpost to existing information such as available through Gingerbread. Camden could also pilot a combination of childcare provision for parents of three and four year olds with nurseries and childminders.

Conclusion

Increased conditionality for parents with children aged three and four has arrived under Universal Credit. The requirement for parents with pre-school aged children to seek work or be sanctioned is currently unreasonable given the lack of accessible and affordable childcare and flexible work.

The evidence is mounting that UC is not working for single parents, most acutely with debt spiralling for many moving onto the new system. Increasing conditions for parents without the necessary infrastructure will do little to support parents. It will further undermine the Government's intention to 'make work pay'.

Appendix: more about the interviews

Method

In early 2017, nine single parents were interviewed over the telephone. Interviews took place with single parents whose youngest child was aged between two and four years of age, was on Income Support and living in the Borough. Advertisements for interviewees were distributed widely across the borough with parents drawn from different parts of Camden.

The questions outlined below were aimed to provide factual information but were also designed to be qualitative in giving parents the opportunity to talk more broadly about welfare changes, work and childcare.

Interview questions: a summary

Introduction

Gingerbread wants to look at the experience of single parents with pre-school aged children. Under new Universal Credit rules single parents will be expected to become job seekers (for most parents in Camden this will not start to be introduced until 2018). The purpose of this interview is to hear your views on the change and to look at the practicalities of moving into and sustaining work.

Children and childcare

- How many children do you have and how old are they?
- For your youngest child do you currently access formal childcare – such as with a nursery or with a childminder?
- How many hours a week does your child attend childcare?
- How much does your childcare cost? (Does your child access free childcare?)
- If you were to move into work do you think your current childcare provider could allow you to increase your childcare hours? Would you want to increase your child's hours?
- Do you know if there is other childcare in Camden that would be available to you if you were to move into work? How would you go about finding childcare in Camden?
- Do your family or friends provide informal childcare to your children? If so who provides the childcare and how often?

About you and your work experience

- Do you have any qualifications? If so tell me about the qualifications that you hold? E.g. GCSE's/A levels/ a degree/ practical qualifications such as an NVQ?
- Would you like to gain further qualifications or skills? If so in what area would you like to study?
- Have you considered a traineeship or an apprenticeship?
- Have you worked before you had your child/children? What was your job? Why did you leave that job?
- Would you like to work in the Borough of Camden? Would you be willing to work full-time /part-time? How far would you be willing to travel for a job?

Your experience at the jobcentre

- How often do you attend the jobcentre and do you see one adviser who you see each time you attend?
- Have you been sanctioned whilst claiming Income Support (lost part of your benefit)? If so what was the reason for being sanctioned?
- What information has your adviser told you about the availability of childcare and help with paying for childcare?
- Have you been directed to look for work by your work coach?

Looking for a job

- How did you find your last job?
- If you were looking for work now how would you go about finding a job?
- Are there any barriers to you finding work?
- Have you heard of the website Universal Jobmatch? Have you used this site to look for work?
- Have you accessed other job sites to access job vacancies? If so which ones have you accessed and which ones have you found helpful?
- Did you know that Camden Council is a Timewise Council? Do you know what this involves and how you would find flexible or part-time vacancies in the Borough?
- Have you accessed back to work support from Camden Council? If so could please give details?
- Have you felt under pressure to move into work because of welfare changes such as the benefit cap (the total amount that you can receive each week in out of work benefits)?

Final thoughts

- What services or support could Camden Council or the Jobcentre provide to help you move into work?
- Have you accessed support from the charity Gingerbread? What advice and support did you find useful?
- Are there any points that you would like to make about work and your family?

Gingerbread

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