

Helping lone parents



Chapter 3

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- 1 The lone parent employment rate has seen significant improvement since 1997 and is at a record level of 56.6 per cent. However, the number of lone parents out of work and claiming Income Support remains high. There is a continuing disparity, with lone parent employment rates lagging behind those of partnered mothers.
- 2 This has a significant impact on poverty. Most non-working lone parent families are poor, as defined by living in a low-income household, and they are particularly likely to experience persistent poverty and deprivation. The Government is helping to make provision available to enable lone parents to work, but in return we believe that lone parents have a responsibility to make serious efforts to return to work, especially once their youngest child reaches 11. Moving into work can improve their own lives, and the lives of their children too.
- 4 There are some 1.8 million lone parents of working age in Great Britain, of whom fewer than 170,000 are lone fathers. Of the total, 787,000 lone parents are on Income Support, 230,000 fewer than in 1997. In addition, a small number claim because they are sick or disabled, or claim Jobseeker's Allowance. A significant proportion of lone parents move from Income Support to incapacity benefits when their youngest child reaches 16, which is why we need to have a coherent package of reforms for both groups.
- 5 In spring 2005, the lone parent employment rate reached 56.6 per cent, an increase of just over 11 percentage points since 1997. This is the highest lone parent employment rate on record, and for the first time ever there are now over 1 million lone parents in work – 318,000 more than in 1997. Despite this success, the number of lone parents out of work and claiming Income Support remains high, both historically and in relation to other countries.

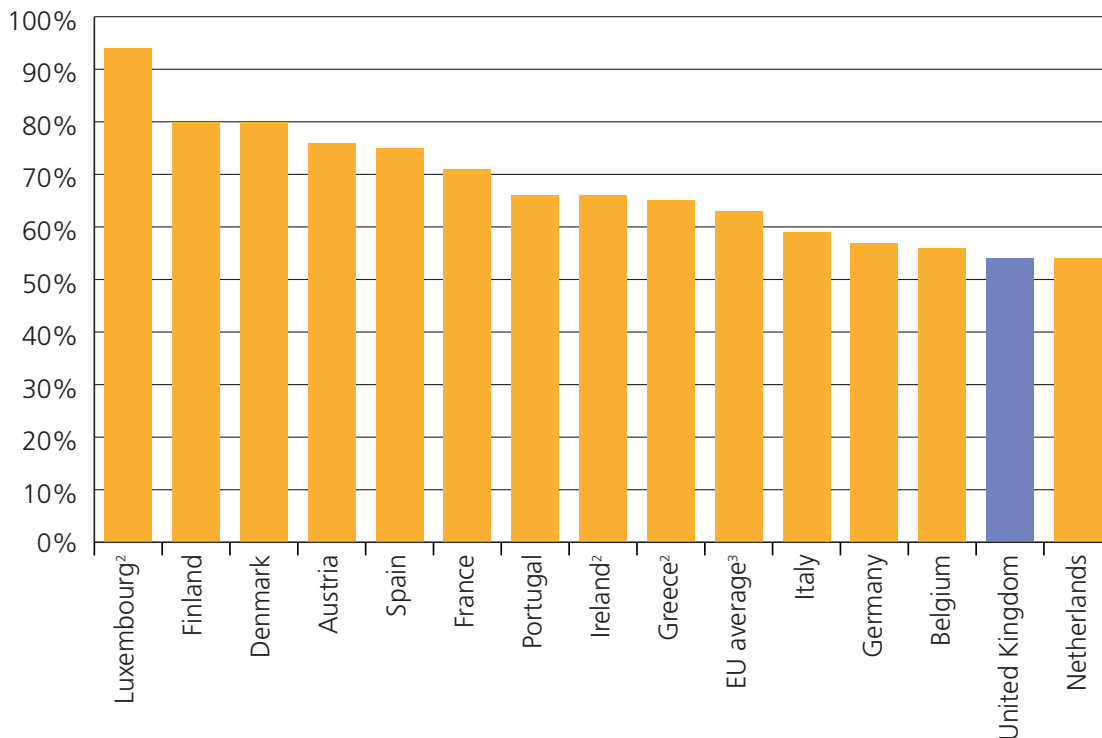
The challenge

- 3 Helping lone parents return to the labour market is the most effective way to ensure their social inclusion and the best route out of poverty for them and their children. Additionally, the increase in sustainable employment that results in the long term raises the productive potential of the economy, and these gains are spread more evenly throughout society.

International comparisons are not altogether straightforward, as the definition of a lone parent varies from country to country. But key features of all countries with a high proportion of lone parents in employment include the availability of good-quality, affordable formal childcare, and strong requirements to seek work combined with financial incentives to do so. Additionally, the international evidence shows that stricter conditionality can have a very limited benefit if it is applied without childcare support and incentives to work. Stronger requirements can be crucial in getting lone parents off benefits, but the macroeconomic environment is a key determinant of their participation in the labour market.

- 6 In the UK, lone parents, especially lone mothers, are much less likely to participate in the labour market than partnered mothers with children of the same age. Around 72 per cent of partnered mothers are in employment, compared with 56.6 per cent of lone mothers and 70 per cent of lone fathers. There are a number of reasons why a higher percentage of lone fathers are in work than lone mothers. These include that, on average, they have fewer and older children, are older than lone mothers (87 per cent are over 35, compared with 58 per cent of lone mothers) and have higher qualifications.
- 7 Most non-working lone parent families live in a low-income household, and they are particularly likely to experience persistent poverty and deprivation.

Figure 3.1: Employed lone parents aged 25 to 49 in 2003¹



Source: Eurostat

Notes: 1 Figures are for all lone parents aged 25 to 49 in employment in 2003, excluding those who are self-employed.

2 Unreliable or uncertain data.

3 Eurostat estimate.

Finding work is the surest way out of poverty because:

- a change in labour market status and earnings accounts for roughly two-thirds of exits from low income;
- non-working families are four times more likely to experience severe hardship than those working; and
- achieving the 70 per cent lone parent employment target would lift around 300,000 children out of low income, which would make a significant contribution to our target to halve child poverty by 2010.

Progress so far

- 8 Since 1997, we have made huge strides in developing the support available to lone parents. The lone parent population is not static: people move in and out of lone parenthood. The Government has made significant investment to help parents stay in work, return to work and balance the demands of work and family effectively. The National Childcare Strategy, the National Minimum Wage, tax credits and the introduction of flexible, family-friendly policies in the workplace benefit all parents.
- 9 In April 2001, we started to roll out mandatory work-focused interviews to all lone parents. These ensure that they know about the opportunities available to them and the benefits of work. About 750,000 lone parents have joined the New Deal for Lone Parents to access help, supported by their personal adviser, and 410,000 have moved into work. The New Deal for Lone Parents, launched nationally in October 1998, is a voluntary programme that helps lone parents achieve job readiness through a range of provision. The New Deal is very effective: one in two lone parents moves into work with the support of their personal adviser.
- 10 The success of these initiatives has encouraged us to go further – introducing an additional interview at the six-month stage for new claimants. From October 2005, we extended this to quarterly interviews for lone parents whose youngest child is aged at least 14, to prepare individuals for the transition to employment when their child reaches school leaving age.
- 11 We continue to keep our programmes under review, and to make changes where this will help lone parents move into or stay in work. For example, we are considering options for changing the ‘notional earnings’ rule, which can act as a disincentive to lone parents taking part in some programmes. This will enable participants to access a wider range of local training and support without their benefit entitlement being affected. We also want to work proactively with employers to develop work taster programmes for lone parents.
- 12 We want to support lone parents to help keep them in work and stop them moving or returning to a life on benefits. We will explore new ways of increasing the support that Jobcentre Plus can give to lone parents who are moving into work or are already in work. And we will ensure that lone parents know they can contact Jobcentre Plus for advice on the full range of support that is available to

them – including help with housing costs, tax credits, childcare and more – before making important decisions about balancing work and their family responsibilities.

- 13 The programmes we have developed give lone parents more choices than ever before. In England, we have established 524 Sure Start local programmes, offering a range of early learning, childcare, health and family services to over 400,000 children in the most disadvantaged areas. These also provide invaluable support and advice to parents.
- 14 Our ten-year childcare strategy, *Choice for parents, the best start for children*,²³ will build on this achievement through a network of 3,500 integrated children's centres across the country – one in every community. Networks of Extended Schools will provide wrap-around childcare to suit the needs of working parents. Our commitment to providing, by 2010, an out-of-school childcare place between 8am and 6pm for all children aged 3 to 14 will be of real benefit in enabling parents – particularly lone parents – to go to work, knowing that their children have a safe and stimulating place to go. By 2010, there will be over 2 million sustainable childcare places for children up to 14. These reforms will ensure that appropriate high-quality care is available so that parents have greater choice in balancing work and family life.
- 15 Since devolution, the Scottish Executive has built on the childcare strategy introduced by the UK Government in 1998 – *Meeting the childcare challenge – A childcare strategy for Scotland*.²⁴ It also aims to make high-quality, accessible and affordable childcare available in every neighbourhood. In addition, the Working for Families Fund supports parents in disadvantaged groups and areas with affordable and accessible childcare, to ensure that this is not a barrier to their entering education, training or employment.
- 16 The Welsh Assembly published a childcare strategy for Wales²⁵ in November 2005, building on achievements to date in developing and expanding the availability of locally accessible, affordable and good-quality childcare in Wales. The Genesis Wales project, funded by £12.5 million of European Structural Funds, is providing a comprehensive package of advice, guidance, support and childcare for people wishing to access work, training or learning opportunities.
- 17 The Secretary of State for Northern Ireland has announced plans for a new drive to deliver access to high-quality, affordable childcare to help those bringing up a young family enter or return to work. In addition, as part of a Children and Young People's Funding Package, there will be an expansion of the Sure Start infrastructure, bringing a range of social and pre-school provision to children and families in the most disadvantaged areas. This will be complemented by a major initiative to develop Extended Schools, offering high-quality, structured activities before and after school, tailored to meet the particular needs and circumstances of the pupils and their families and communities.
- 18 The Employment Act 2002 introduced new legislation in the UK specifically

to help working parents. Since 2003, parents with young and disabled children have received more support than ever before to balance childcare and work in ways that benefit everyone: employers, employees and their children. Rights to request flexible working and increases in maternity and paternity pay and leave all assist parents in achieving a balance between home and work responsibilities.

A more radical approach

19 Lone parents are naturally concerned that if they go to work their children should be well looked after. This is true not just for those whose children are too young to go to school, but also for lone parents with school-age children, who need to be assured that they will be well cared for after school and during the holidays. It is right that the Government should help make provision available to enable lone parents to work, but in return we believe that lone parents have a responsibility to make serious efforts to return to work, especially once their youngest child reaches 11. This will improve their own lives, and the lives of their children too.

Extending opportunity

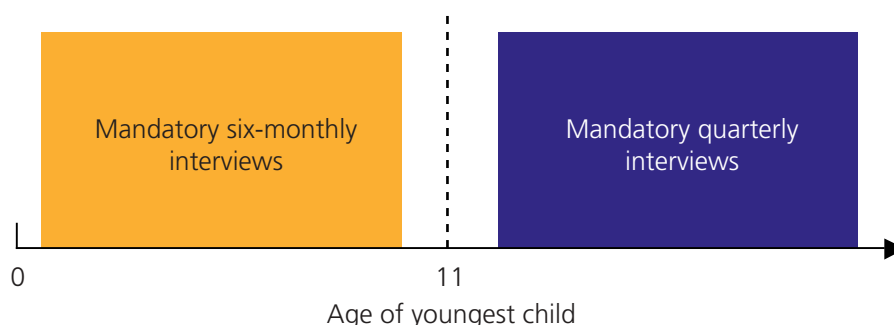
More frequent work-focused interviews

20 Our roll-out of compulsory annual work-focused interviews to lone parents who are claiming Income Support has shown that such interviews help lone parents think about work, and many go on to prepare for it by joining the New Deal for Lone Parents. So our next step is to build on this success by further increasing the frequency of the interviews.

21 We propose, as resources allow, to:

- hold mandatory interviews every three months with lone parents who have been claiming Income Support for at least a year and whose youngest child is at least 11;
- introduce six-monthly interviews (twice as frequent as now) for all lone parents who have been on benefit for at least a year and who are not required to take part in more frequent work-focused interviews; and
- pilot providing more intensive support for lone parents during the first year of their claim. During this time many people are still adapting to their changed circumstances and will need more help.

Figure 3.2: Planned new interview regime



Work-Related Activity Premium

- 22 We recognise that regular contact with a personal adviser may not in itself be sufficient to encourage lone parents to return to work. Making the move from being on benefits to working can be a big step, so we intend to pilot a new incentive to ensure that lone parents are better off if they take serious steps towards preparing for work. This incentive will focus, at least in the first instance, on all lone parents whose youngest child has reached the age of 11. When the youngest child begins secondary education, many lone parents feel more able to think about returning to work but need support to enable them to turn this aspiration into a reality.
- 23 Of lone parents with a youngest child aged at least 11, 68 per cent are already in work. Nationally, there are 150,000 lone parents on Income Support with the youngest child aged between 11 and 16. This group faces fewer childcare constraints than those with younger children, and it is reasonable to ask them to consider undertaking activities appropriate to their individual circumstances which will prepare them to re-enter the labour market. The OECD has said that “once employment and childcare support is available on a comprehensive basis, it would be reasonable to oblige sole parents on Income Support to make use of it”.²⁷ By 2008, half of all families will have access to school-based care for 5 to 11-year-olds. By 2010, all parents of school-age children will have access to care from 8am to 6pm all year round. There will be 2,500 children’s centres by 2008 and a further 1,000 by 2010, providing services for children of pre-school age.
- 24 It is therefore reasonable to expect more lone parents to take advantage of the support available to them and to take steps to help themselves and their families. In February 2005, we announced our intention to ask lone parents with older children to engage in some work-related activity, in preparation for returning to work. In recognition of this participation, we will pay a premium in addition to Income Support, and we suggest this should be £20 a week. We will test this payment to lone parents who have been on benefits for at least six months and whose youngest child is aged 11 or over. Getting the new premium will be conditional on the lone parent undertaking work-related activity agreed with a personal adviser.
- 25 We recognise that for some lone parents, for example those with additional caring responsibilities, work-related activity may not be an immediate option. Participation will therefore be voluntary – if a lone parent decides not to do any work-related activity, their entitlement to Income Support will not be affected, but they will not qualify for the extra payment. We will assess the effectiveness of the pilot before moving further.
- 26 We expect that the majority of lone parents of older children will be keen to take advantage of the new financial incentive, and will want to work with a personal adviser to improve their readiness to work. But we also know that many lone parents on benefits with children younger than 11 are keen to

work, and making the new premium available to them could encourage them to take active steps to return to the labour market.

Question 8:
 Would it be reasonable to extend the Work-Related Activity Premium, and the associated requirement to take steps back to employment, to lone parents with children younger than 11? If so, what age should be the cut-off point?

27 The nature of the work-related activity will vary according to the needs of each individual lone parent. We know that

some lone parents with older children will have recent work experience and will need relatively little help and support to get them back to work. But others will have been on benefits for some time and will need to move forward more gradually. Lone parents will need to identify their barriers to work and the steps that will be necessary to manage or remove them.

28 We envisage that the Work-Related Activity Premium will be payable for up to six months. However, we recognise that lone parents who are some distance from the labour market may

Figure 3.3: Examples of work-related activities suitable for lone parents

Activity type	Examples
<i>Work tasters</i>	<ul style="list-style-type: none"> ■ Work trials ■ Structured voluntary work ■ Preparation for self-employment
<i>Improving employability</i>	<ul style="list-style-type: none"> ■ New Deal for Lone Parents ■ Basic skills training ■ Confidence building ■ Mentoring ■ Labour market orientation/employer awareness ■ Health management, for example NHS Expert Patients programmes ■ Work-related training ■ Wider Jobcentre Plus and external training programmes
<i>Jobsearch assistance</i>	<ul style="list-style-type: none"> ■ Help from a personal adviser ■ Information, advice and guidance ■ External agencies ■ Independent job searches

need to undertake a sequence of activities, each building on the previous one, to bring them closer to employment. Others may need to undertake training that runs beyond the end of the six-month period – perhaps because a particular course is not available in the early part of the work-related activity period. We will therefore consider, when a personal adviser and the lone parent have agreed a course of activity that will run beyond six months, whether the premium should be payable for a longer period.

Question 9:

In what circumstances do you think it would be reasonable to extend the six-month Work-Related Activity Premium period?

Partners

- 29 There is now widespread agreement that the programme for supporting and helping lone parents into work is vital for them, for their children and for our drive against child poverty. But we still need to do more for the partners of people on benefits who are not in work themselves and are not engaged in our active welfare-to-work programmes.
- 30 We have moved a long way from the model of a household with a single breadwinner and a dependent spouse. While some partners will not be in a position to consider work, for example because of substantial caring responsibilities, there are significant numbers who, with the right support, could move into full time or part time work. They will be able to contribute to raising the standard of living for themselves and their families, and to

enjoy the wider benefits of working. It is clearly right that people who are partners of benefits claimants and who have not reached State Pension age should be helped to return to employment, or have the opportunity to access the world of work for the first time.

- 31 In April 2004, we introduced the enhanced New Deal for Partners, and a requirement that partners of people receiving benefits should be asked to participate in a work-focused interview. These interviews are currently being introduced across the country, linked to the opening of Jobcentre Plus offices. Partners of people receiving Working Tax Credit or Pension Credit, and working less than a certain number of hours a week, can also access help.

Making a difference

- 32 Our policies are already making a difference to the lives of people and their families in all sectors of society. Building on the evidence we have gained so far, we believe that the enhanced support and incentives proposed in this chapter will create the right environment for lone parents and partners to make their own informed choices and find their route back into work.