



## **OPFS Evidence to the Education and Culture Committee's Inquiry into Scotland's Educational and Cultural Future**

**March 2014**

### **One Parent Families Scotland**

One Parent Families Scotland is Scotland's leading single parent organisation. Building on 70 years of advocacy and service-delivery expertise, OPFS provides expert information, advice & support along with training activities, work preparation programmes and flexible childcare. Our evidence draws on our experience of working with low income single parent families.

OPFS doesn't have a position as an organisation on independence but we have been campaigning for many years for improved childcare provision which would support single parents to escape poverty and achieve a better future for themselves and their children. Therefore we welcome the opportunity to contribute to the Committee's Inquiry.

Our evidence is focused on Theme 2: Early Years, Childcare:

- The benefits to children, families and the wider economy of investing in childcare; and
- The planning, training and investment that would be required to bring about a transformation in childcare provision.

We address both points throughout.

### **Introduction**

In Scotland there are 165,760 single parent households, estimated to be around 28% of all households with children.<sup>i</sup> Single parents are in a unique position of being both carer and economic provider for their children so childcare is an absolutely critical issue for them. Parents whom we work with consistently identify a lack of affordable, high quality, accessible and flexible childcare as be the most significant barrier to them moving into and sustaining employment. It is essential therefore that any policy which aims to transform our childcare infrastructure for the benefit of children and families as well as the economy, must take account of the needs and aspirations of single parents for themselves and their children.

Delivering a fundamental transformation will require a coherent long term vision, long term political commitment and substantial investment. It will also require a strategic approach with incremental steps setting out how we intend to achieve that vision over the long term.

We want to see the provision of childcare in Scotland transformed so that it becomes part of our infrastructure and is free or affordable, high quality and accessible to all. In terms of outcomes we believe a transformed system should:

- reduce socio-economic inequalities
- reduce child poverty
- improve outcomes for all children
- reduce the attainment gap between children from low income families and others
- support the development of well paid, sustainable employment
- reduce gender inequality.

## **Benefits to children**

### *Outcomes*

There is widespread international evidence that high quality childcare provision improves both short and longer term outcomes for children.<sup>ii</sup> It supports their early development and improves health, educational and a range of other outcomes. In Scotland, for example, The Growing Up in Scotland study showed the link between childcare and improved development, including vocabulary, at age five.<sup>iii</sup>

### *Poverty*

Due to the multiple barriers they face, single parent families are more at risk of poverty. Over two in five children in single parent families are poor, compared to just over one in five of children in couple families.<sup>iv</sup> There is much evidence to show that poverty has significant negative impacts on outcomes for children. Recent research in Scotland for example, shows that those living in poverty are more likely to reach lower levels of development at every stage.<sup>v</sup> Poverty during the first years of a child's life has also been shown to affect child outcomes at later years.<sup>vi</sup>

### *Inequality and outcomes*

The provision of high quality childcare has been shown to reduce the gaps in development and achievement between children living in poverty and their better off peers.<sup>vii</sup> Further, a recent report by Save the Children and the Women in Scotland's Economy Research Centre demonstrates an inverse relationship between rates of maternal employment and levels of child poverty in Scotland.<sup>viii</sup> Similarly, countries which have some of the highest rates of maternal employment like Sweden, also have much lower levels of child poverty.

## Benefits to families

### *Employment*

Improved childcare provision is essential to support single parents into work. Work is important for a variety of reasons. Work can have positive impacts on mothers' health. Recent research has shown that mothers in work (both single parents and others) have lower levels of depression. This also has a knock on effect on children as good maternal mental health is linked to good child development.<sup>ix</sup>

### *Employment and poverty*

Work is also important because it reduces the risk of families and children being in poverty. Single parents face greater poverty as result of number of issues including greater barriers to moving into and sustaining paid employment. In the UK over half (59%) of single parents are in work, (though their employment rate is still lower than that of mothers in couples at 71%).<sup>x</sup> When children are younger the gap is wider. In 2012 approximately 40 per cent of single parents with a youngest child aged 3-4 were in employment, compared to 60 - 65 % of mothers in couples.<sup>xi</sup> The UK has the second lowest employment rate for single parent mothers and is 30% behind top performers such as Luxembourg, Austria and Portugal.

### *Affordability, availability and access*

More single parents would like to work but cannot because of the barriers they face. Unsurprisingly, giving the critical nature of childcare for single parents, removing financial barriers to moving into employment, including the provision of affordable childcare results in more single parents moving into work than mothers in couples.<sup>xii</sup>

The number of hours available is also important. Research has shown that for single parents, an entitlement of 15 hours per week at three and four is much less likely to result in parents returning to work (or increasing their hours), compared to starting school. This suggests that this level of provision may not be enough to support more single parents into work or to increase their working hours. Increased hours will help to reduce barriers for single parents and it is for this reason we have warmly welcomed the extension of childcare provision set out in the Children and Families Bill. However, it is significant that it is when parents have substantially more hours of care available to them, that many more participate in the labour market.

Other barriers for single parents are whether or not childcare is indeed available at all, in a location which is accessible; whether it fits with travel to and from home and work and whether it is flexible and available outside of traditional working and school hours. The economic arguments which support the provision of early years childcare apply equally to the provision of out of school care – which is why OPFS supported the amendment to the Children and Families Bill to make provision for flexible, wrap around care and will continue to press for greater provision in this area as a key priority.

### *Funding*

In terms of funding models, research by IPPR found that supply side funded systems (where childcare is offered directly to parents) are better than current demand side arrangements - both in terms of value for money and in ensuring that quality of provision is maintained (see below). They found that models which had substantial free entitlement with caps on any additional funding worked well as a structure which aimed to tackle socio-economic inequality. They also observed that there was a tipping point of around 10 % of disposable income which made childcare affordable (in relation to pay) for many mothers.<sup>xiii</sup> A supply side approach would also be beneficial in terms of strategic planning, enabling better coordination of provision, and long term stability for providers.

### *Gender Equality*

The extended provision of early years and other childcare is important because it is a key to tackling the gender inequality, especially the gender pay gap. 92% of lone parents are women<sup>xiv</sup> so measures to narrow the gap will support most single parents.

Due to a range of factors, including lack of affordable and appropriate childcare, single parents are more likely to be in poorly paid, part-time and temporary employment. While the ONS figs for 2012/13 shows that the gender pay gap has widened for the first time since 2008, from 9.5 -10 % for full-time workers, for part-time workers, 26% of all employees (20 % women and 6 % men) it rose from 19.6 - 19.7%. Therefore OPFS supports the Equal Opportunities Committee's recent report which sets out the role of childcare in tackling gender inequality and recommends that the Scottish Government set out a timetable to extend free childcare for all children up to the age of 15 years.<sup>xv</sup>

### *Education and training*

Childcare provision is often discussed in relation to enabling parents to move into work but there is insufficient attention given to the need for childcare to support engagement in training or education. We know that single parents (and women) are disproportionately represented in poorly paid and insecure employment. In addition, single parents are more likely to have lower levels of qualifications and this reinforces the barriers they face to moving into sustainable employment.

Many parents we work with want to access further education or training but are unable to do so. This is partly because if they do, they are likely to be disqualified from social security benefits but also because there is a lack of suitable childcare available to allow them to attend college or training. To ensure that single parents and others are able to move in to well paid and sustainable employment, access to childcare needs to be extended to those who are in education or training.

## **Childcare and quality issues**

To develop a childcare which supports children to realise their full potential it is important to recognise that child care provision is not just about adding on more hours. The issue of quality is important for all children and especially in narrowing the gap in educational attainment between children from low income families and others. High quality care must ensure good staff ratios, suitably qualified staff and be appropriate to the needs of differing ages, including the need for care which emphasizes the child's emotional development. This also points to the importance of avoiding 'schoolification' - the tendency to regard early years as simply a preparation for school with a focus on cognitive rather than emotional, play based development.<sup>xvi</sup>

### *Childcare staff*

The need for many more well trained and highly motivated staff to deliver quality care will require substantial investment. This investment must also address the urgent need to improve current levels of pay and terms and conditions of childcare staff. It is essential that these are improved to support individual workers (many of whom are typically women and mothers) often struggling below the poverty line (see below). It is also needed in order to recognise the importance of childcare and other caring work. This will not only improve staff recruitment and retention, it will signal a profound, and much needed, cultural shift in how we, as a society, value the importance of childcare and indeed other caring roles.

## **Benefits to Scottish society and economy**

### *Poverty*

The ten years to 2011/12 have seen the numbers of children living in poverty falling. In Scotland there has been a fall of around 10% compared to 6% in England. Interestingly, falls in rates of poverty amongst single parent families over this period have been particularly marked and this is likely to be as a result of improved rates of employment amongst single parent families. This is likely to be due to previous policies such as tax credits (across the UK) and Working for Families (in Scotland), which helped to ease some of the barriers to work for single parents.<sup>xvii</sup> This suggests that policies which are targeted at supporting single parents play an important role in tackling child poverty. We also know that, as result of the Coalition austerity measures, in particular its benefits and taxation policy, these gains are due to be dramatically reversed over the period to 2015<sup>xviii</sup> – making policies which focus on reversing this trend more vital than ever.

### *Economic benefits*

While the moral case for tackling poverty is an overwhelming one, there are also strong economic arguments. In Scotland, the costs of child poverty resulting from increased expenditure on public services is estimated to be at least t £3/4 billion per year.<sup>xix</sup> Educational underachievement is estimated to cost another £1b billion per year.<sup>xx</sup> With

the costs of child poverty so high, the economic argument for investing in prevention is clear.<sup>xxi</sup>

An expansion of affordable, flexible, high quality childcare would have a significant impact on the levels of single parent (and maternal) employment in general and evidence suggests this is likely to have a positive impact on the economy through a combination of resulting lower levels of benefit expenditure and increased taxation receipts. For example, a recent report from IPPR suggests that an increase in maternal participation in the labour market of 5% would yield an additional £750 billion per annum to the UK economy.<sup>xxii</sup>

#### *Wider policy issues*

However, whilst supporting single parents and other families move into or increase their hours of work is likely to have significant economic benefits these will be limited if such policies are not linked to wider policies to tackle 'in work' poverty at the same time. In 2011/12, 13 million people in the UK were living in poverty and for the first time more than half of these people lived in families where someone is in paid work.<sup>xxiii</sup> So moving into work is certainly no guarantee of moving out of poverty.

Increases in 'in work poverty' are due to several trends including greater underemployment and growing numbers of temporary, insecure and low wage jobs – the kinds of jobs which typically are leaving many single parents below the poverty line. In Scotland in 2012 the number of people working part-time who wanted a full-time job has risen from 70,000 in 2008 to 120,000 in 2012. This has led to a rise in the number of people working part-time, while the number working full-time has fallen.<sup>xxiv</sup>

Poorly paid, predominantly insecure and/or part time work will mean that single parents and others will contribute relatively low levels of taxation and continue to need to claim benefits to subsidize low wages. It will also mean that the wider costs of poverty, continue to be high and worse still, that many more children's lives continue to be blighted by poverty. Given the current expansion of exactly this type of employment, it is all the more important that any expansion of childcare is joined up with other labour market policies to address these issues.

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<sup>i</sup> General Register Office for Scotland, (2012)

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<sup>iii</sup> Scottish Government, (2009) Growing Up in Scotland: The Impact of Children's Early Activities on Cognitive Development

<sup>iv</sup> Households Below Average Income (HBAI) (2013) 1994/95-2011/12, Table 4.5db, Department for Work and Pensions

<sup>v</sup> Scottish Government (2013) Scottish Survey of Literacy and Numeracy

<sup>vi</sup> Schoon I, Jones E, Cheng H and Maughan B (2012) 'Family hardship, family instability and cognitive development', Journal of Epidemiology, 66(8): 716–722

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<sup>x</sup> Office for National Statistics (2012) Working and Workless Households, Table P

<sup>xi</sup> Spencer Thompson and Dalia Ben-Galim (2014) Childminding the Gap, IPPR/Nuffield Foundation

<sup>xii</sup> Immervoll H and Barber D (2006) Can parents afford to work? Childcare costs, tax-benefit policies and work incentives, Institute for the Study of Labor discussion paper no 193, Bonn

<sup>xiii</sup> Childminding the Gap, (2014) IPPR/Nuffield Foundation

<sup>xiv</sup> Office for National Statistics (2011) figs cited in  
<http://www.scotland.gov.uk/Topics/People/welfare/reform/analysis/welfare/reform/analysis/genderimpact>

<sup>xv</sup> Scottish Parliament Equal Opportunities Committee 4th Report 2013 (Session 4) Women and Work

<sup>xvi</sup> Ibid.

<sup>xvii</sup> Hannah Aldridge and Peter Kenway (2014) Referendum Briefing: Child Poverty in Scotland, JRF

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<sup>xviii</sup> J. Browne, A. Hood & R. Joyce 2013 Child and Working-Age Poverty in Northern Ireland from 2010-2020, Institute for Fiscal Studies

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<sup>xx</sup> Hirsch, D. (2008) Estimating the Costs of Child Poverty in Scotland

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<sup>xxiii</sup> Tom MacInnes, Hannah Aldridge, Sabrina Bushe, Peter Kenway & Adam Tinson; Monitoring Poverty and Social Exclusion, (2013), JRF

<sup>xxiv</sup> Hannah Aldridge, Peter Kenway and Tom MacInnes (2013) Monitoring poverty and social exclusion in Scotland JRF