# Child poverty in Scotland:

priority groups – lone-parent families Summary



# Approximately 230,000 children live in relative poverty in Scotland.

# Of these, 90,000 live in a lone-parent family.<sup>a</sup>



<sup>a</sup> Households Below Average Income data sets, 2016–19.

Reducing poverty for children in lone-parent families is possible and desirable. Child poverty in lone-parent families has fallen in the past in Scotland, driven by action at a national<sup>b</sup> and local level. Reducing child poverty for this priority group would make an important contribution to improving health and reducing health inequalities in Scotland.

The Scottish Government, local authorities, Health Boards and the UK Government can all contribute to this aim. It will be essential for those providing universal services to ensure that these services are reaching lone parents and meeting their needs, as well as ensuring policies and practices do not penalise lone parents.

<sup>&</sup>lt;sup>b</sup> National influences include increased expenditure on social security, including tax credits; local influences include investment in employability programmes appropriate for lone parents; while investment in childcare has occurred at both a local and national level.

# **Key considerations**

Children in poverty in lone-parent families are also more likely to be in families with a disabled person, larger families or families with a young mother.

Lone-parent families are predominately single female adults with dependent children, which means:

- there is just one potential earner in the family
- that earner is limited in the hours they can work by caring responsibilities
- their hourly earnings are likely to be lower because of the gender pay gap.

# What can be done to support lone-parent families?

There are a number of actions at the UK, Scottish and local level that will help reduce child poverty in lone-parent families.

### Scotland and local level

- Promote the uptake of Best Start Grant, Best Start Food Grants, Discretionary Housing Payments, and (once available) the Scottish Child Payment, the Child Disability Payment (CDP), and Disability Assistance for Working-age People (DAWAP).
- Make use of the new Parental Employability Support Fund (PESF) to ensure more tailored and holistic programmes (such as the employability pipeline for lone parents) can be offered to more lone parents.
- Employers, including anchor institutions (such as local authorities and Health Boards) should explore how they can offer more quality flexible jobs. Local and national partners should use their procurement capital to incentivise private sector employers to provide quality flexible work which is suitable for lone parents.
- Encourage uptake of funded early learning and childcare (ELC) places and ensure equitable and affordable provision of high-quality, flexible childcare which is proportionate to need.
- Increase provision of funding for childcare and direct provision of childcare services, especially childminding and out-of-school care, to the most deprived areas and low-income households.
- Highlight the potential impact of Universal Credit to the childcare sector and encourage childcare providers to engage with the DWP and local advice providers.
- Improve the advice and support available to help lone parents navigate the child support system.
- Ensure policies and practices do not inadvertently penalise lone-parent families, using the toolkit approach suggested for **lone parents**.

- Explore whether existing actions to reduce child poverty could be enhanced, or new interventions added, for example:
  - Glasgow's Private Rented Sector (PRS) Tenancy (Benefit Cap) Project
  - Make school clothing grants automatic for low-income families by linking to payment of housing benefit/Universal Credit.
  - Reduce the costs of the school day, for example by using the Child Poverty Action
    Group Scotland Cost of the School Day toolkit.
  - Create capacity locally to establish financial inclusion and income maximisation referral pathways in healthcare settings; where they are in place, ensure they are effective<sup>c</sup>.
  - Provide lunches to children participating in holiday programmes in areas where there is likely to be greater need, for example, by adapting the examples in the **East Ayrshire Vibrant Communities Summer Holiday** programme.
  - Access Scottish Government funding and work with education services and FareShare to ensure that **free sanitary products** are available to students and those on low incomes.

## **UK** level

- Abolish the two-child limit and the benefits cap, and increase the value of benefits and Tax Credits paid to families with low income to reflect living costs.
- Abolish sanctions for pregnant women and parents.
- Address the problems with the Universal Credit system, including:
  - ending the five-week wait
  - poor administration especially unintended errors in the administration of childcare costs and support for students
  - lack of clear information and guidance to childcare providers, parents and Work Coaches about childcare costs
  - the reduced level of Universal Credit paid to student parents compared to the legacy system
  - benefit rules that discourage lone parents from gaining higher-level qualifications should be removed.
- Ensure Work Coaches have specialist knowledge of the needs of lone parents.
- Improve the administration of the Child Maintenance Service, remove charges for low-income parents and improve the service for survivors of domestic abuse.

Further information on child poverty in lone-parent families can be found in the full report.

<sup>&</sup>lt;sup>c</sup> Scottish Government, Income Maximisation Funding for 2019/20, DL (2019) 12.

# How many lone-parent families are there in Scotland and where do they live?

There are 144,000 lone-parent families with dependent children in Scotland (2019 data), which is 25% of all families.

Lone-parent families live across Scotland but there are more lone parents in older industrial regions, in the most deprived areas and in urban Scotland. There is a greater proportion of lone-parent families in Dundee City, North Ayrshire, Inverclyde, West Dunbartonshire and Glasgow City.

# **Drivers of child poverty for lone-parent families**

Children in lone-parent families are more likely than all children to live in poverty (39% vs 24%)<sup>d</sup> and be persistently poor (31% vs 15%).<sup>e</sup>

The Scottish Government has identified three main drivers of child poverty in Scotland: income from employment, income from social security and cost of living.

# Income from employment

Good employment can help contribute to reducing child poverty in lone-parent families, and 65% of lone parents are in employment. However, 66% of children in poverty in lone-parent families are in non-working households, with nearly 40% in non-working households where the youngest child is 0–4 years old. Another 25% are in lone-parent households where the parent works part time.

A number of factors prevent lone parents from accessing good work:

- Childcare responsibilities (especially for lone parents with very young children), health problems, lack of access to private transport and low or no qualifications are locking many lone parents out of the labour market.
- Conditionality and sanctions for parents are undermining health and making it harder for the most disadvantaged lone parents to find good work.
- Too few flexible<sup>f</sup>, accessible jobs, especially in the places where lone parents live.

<sup>&</sup>lt;sup>d</sup> Households Below Average Income data sets, 2016–19.

<sup>&</sup>lt;sup>e</sup> Understanding Society data, 2013–17.

<sup>&</sup>lt;sup>f</sup> Flexibility in terms of offering hours that suit lone parents and quality in terms of protecting them from poverty.

The expansion in funded ELC hours<sup>9</sup> is likely to mitigate some of these issues; however, parents (especially lone parents) are likely to have to pay for some childcare if working more hours is to be an effective way of lifting them out of poverty. The limited availability of out-of-school care for older children, and the most flexible forms of childcare in deprived areas (e.g. childminding) remains a challenge. There are high and rising levels of child poverty among children in working lone-parent families.

# Income from social security

The current welfare system does not provide a sufficient income for lone parents and their children to live with dignity, as a result of a combination of insufficient benefits value and poor administration. Income from benefits is an important source of income for lone parents. Lone parents are one of several other groups (including larger families and households where someone has a disability) that are particularly adversely affected by cuts and freezes to the value of reserved benefits, as well as specific policies such as the benefits cap and two-child limit.

By 2021–22, it is anticipated that lone-parent families in Scotland will be more than £3,500 per year worse off due to changes to the tax and benefits system. This is higher than the losses anticipated for couple families.



 For lone-parent households where both the parent and a child have a disability, or where the household is affected by multiple disabilities, the losses are expected to exceed £7,000 per year.

<sup>&</sup>lt;sup>9</sup> In August 2019, all 3–4-year-olds and eligible 2-year-old children in Scotland received 600 hours of funded childcare provision. In April 2020, due to the COVID-19 outbreak, the statutory requirement to provide 1,140 hours of publicly funded childcare by August 2020 was revoked. The Scottish Government announced that it is still committed to delivering this, but implementation will be delayed.

- The design and delivery of Universal Credit is important for lone parents.
  - In 2019, 54,000 lone-parent households in Scotland claimed Universal Credit.
  - The five-week wait, benefit sanctions and poor administration of Universal Credit (including for childcare costs and for parents in education) continue to create problems for lone parents in accessing and remaining in employment or education.
- Fees attached to the child maintenance system, and weaknesses in the processes of collecting support from non-resident parents, may also be creating unnecessary barriers to lone parents who are accessing income from this source.

# Cost of living

Compared to couple families, lone parents have less money to spend (an average of £47 less per person per week), and a greater proportion of this spending goes on essentials: food, non-alcoholic drinks, housing and household essentials.

This means that despite money management skills and the ability to control spending similar to couple families, lone parents find it more difficult than couple families to make ends meet and plan ahead, and to spend on things that would allow them and their children to adequately participate in society. These pressures increased between 2010 and 2019, even for lone-parent families who work full time.

As a result lone parents remain more likely than couple families to experience food insecurity and to report difficulties in managing financially. In 2017/18, 13% of lone-parent households in Scotland reported they had run out of food in the last 12 months because of a lack of money or other resources. In 2018, 18% reported the household did not manage well financially.

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