

Addressing child poverty through parental employment

National call for views submission by Indigo Childcare Group

6 April 2023

Indigo Childcare Group is a well established local childcare group providing early learning, childcare and youth services alongside a Family Support service in the Castlemilk and Garrowhill areas of Glasgow. The organisation has existed for over 30 years and supports in the region of around 450 families per annum across services provided for children from 6 weeks through to 16yrs.

What changes to childcare provision in Scotland could have the greatest impact on child poverty?

- Free entitlement/ subsidised places. We have been running a pilot of school aged childcare in partnership with Scottish Government for the last 2 years and this has highlighted a specific need for flexible free and subsidised school aged childcare for children aged 4-16yrs; before school in the morning, after school in the evening and during school holidays. Over the last 2 years 104 families have benefitted from this. They have been able to maintain work/learning, increase their hours, take on work/learning opportunities. All have said that these things would not have been possible otherwise. 38% of families also have someone in the family with an additional support need and whilst some require for work purposes, others also require it for respite or for emotional and social wellbeing for the child or siblings.
- Allowing professionally registered providers, greater say on who is appropriate for their roles rather than the currently restricted workforce qualifications for SSSC (which aren't always relevant) would allow for more provision and greater creativity and flexibility of offer without compromising quality.
- Support to providers to address the need for upfront fees. Many families starting out in a new role or a new course, do not have the financial capacity to pay fees up front, although there is a need for most providers from a cashflow perspective and to guarantee notice periods, to have upfront payments.
- Extending provision of early years childcare to babies from 9 months would also allow parents to return to work at the end of their maternity period, maintaining their career pathways which will have long term positive outcomes for the whole family.
- Ensuring that partner providers are remunerated appropriately for the statutory provision to allow a level playing field with local authority employees. Failure to secure this is seeing those who would prefer to work in the private or voluntary sectors, leave the sector for more money, further impacting the workforce challenges being faced. As a real living wage employer, salaries are currently xx% of our expenditure and they are on average 22% per role less than the equivalent role in Local Authority. This is neither fair work practice nor a provider neutral environment. Many of those holding these roles are parents in low income families also and therefore whilst strengthening the sector both in terms of a career choice and the quality of the offer for children and families, it will also support many of the families the child poverty action plan is seeking to help, as many are the employees in our sector. In a recent Cost of living survey of our families 38% of

those requiring family support and free/subsidised childcare, work in health and social care.

Who should any extension of free or subsidised childcare be offered to?

- Low income families
- Families who have a child ASN/disability
- Those on Child Protection register/ significant social work involvement
- Families where there is a parent/carer with a disability/chronic health issues
- Families with multiple children
- Children of refugees
- Young parents.
- Providers should also be given a level of professional flexibility to support families who come upon a period of hardship for a variety of reasons who wouldn't previously have met the criteria included in the Child Poverty Action plan. Our experience has been that those families not on benefits but just coping, often don't have the financial resilience to cope with any financial bumps in the road, therefore a breakdown in a relationship, the loss of a job, a reduction in hours can often cause the wheels of these families to grind to a halt.

What age groups should be prioritised for further expansion of childcare?

- School aged childcare requires priority now. If we do not act immediately on this, delaying until the full policy is ready, could see more closures of these services, leaving very little to build the new school aged childcare model on.
- Recognising the need for school aged childcare up to 16 and not capping at 12.
- Children under 3 is also a crucial area. We know that 75% of brain development happens before the age of 3 therefore it is vital that we function on a preventative basis and engage families as early as we can to help overcome the longer term poverty related outcomes for children and contribute to closing the attainment gap.
- Whilst our preference is a wholistic childcare infrastructure from 9mths to 16yrs, if it must be targeted in age ranges, priority order would be– 1. 4-12yrs 2 Under 3's and 3 12-16s.

What type of childcare could work best to serve the needs of parents in employment or seeking employment?

- Recognition that parents need childcare throughout the life of their children, from birth through to 16 (perhaps 19+ for those young people with disabilities)
- Flexible model – one that can be reactive and responsive to the needs of parents. Services that adapted and delivered different types of support during the Pandemic are the perfect examples of those flexible and creative childcare and family support organisations that best support families in some of the most deprived communities.
- A model that includes a whole family support model, our experience is that subsidised or free childcare alone, is not enough to help families break the cycle of poverty. The families accessing our pilot family support and subsidised childcare are dealing with on average 7 barriers in their daily life (incl. health, relationship, housing, finance,

parenting, emotional wellbeing issues amongst others), they need support to tackle these too in order that the long term benefit of the childcare can be sustained.

- Free/ subsidised places
- Family Support package

In a recent survey of parents, they told us that as a result of accessing free and subsidised childcare and family support:

- 54.5% said they felt less stressed
- 64% felt better able to manage their stress
- 73% knew who to go to when they needed help
- 64% said that their children have new friendships

Parent comment

“I think Indigo is fantastic, my application ran smooth and I was also given advice about my sons condition that has helped my family a lot. It’s a place you can trust. Indigo is letting me work. My kids love out of school care and they have been really great with helping my son with his problems especially while he’s waiting to hear about ADHD diagnosis. It’s really comforting for me to see my daughter’s relationship with the staff and how they know each other.”

Staff member feedback on Family Support Service:

“Personally families have spoken to myself about how amazing and supportive the service is, and they don’t know where they would be without your on-going support, supporting with housing issues, general wellbeing check-ins, financial support, etc. From this I can see parents/carers are less upset and more relaxed which I feel has a positive impact on the young people and their relationships at home, as they seem more happy. Parents have told me that they feel more confident going to work now”

What improvements to public transport could support parents?

- Improved transport links (particularly to travel within communities rather than directly to city centre) e.g. it can take 1.5-2 hours to travel from Castlemilk to Easterhouse by bus
- Transport from schools to childcare facilities to reduce the cost of provision.
- More options to buy combined day travel tickets e.g. bus and train
- Increased frequency and reliability
- More affordable for adult tickets e.g. subsidised/discounted options
- Support for completing paperwork (under 22 scheme) – especially the need for ID which has proven to be a real stumbling block. Most families don’t have a passport, therefore are required to apply for generic photo ID before applying for their travel pass, however there is a cost associated with that and for many this application also requires photographic id which is why you are applying for it in the first place, therefore the whole thing is a vicious administrative circle.

What can the Scottish Government do to increase the supply of well-paid, secure employment that works for parents?

- Remove benefit caps – particularly for those just over the benefit caps but still considered low income e.g. those just over the cap of the school clothing grant
- Improve salary for Health & Social Care sector
- Consistent more affordable and subsidised childcare options
- Abandon the bureaucratic controlling nature of Universal credit which sees an employee receive a 12% increase in salary, which due to UC cap, means a mere £2 per month difference or the employee who works an extra 2 Saturdays in the month to help pay for her child's birthday only to find it makes no difference at all at the end of the month because of the benefits cap, the increased income for that month, simply sees the benefit reduced by that amount. There is no incentive for people in low income posts to work more or progress in their career unless it is in the region of 30% increase in salary which is unlikely in one go.

Some comments from staff and parents on benefits

“One of the issues that we have seen for families accessing subsidised or free childcare and family support is the impact on benefits. This is reflective of the common barriers families cite when accessing childcare as upfront payments through Universal Credit often are not feasible for families, or changes in childcare having a knock on effect to their tax credit payments the following year. Some parents have chosen to refuse ACF fee support, as they are too concerned about their tax credits being deducted.”

Reflections from a member of our Finance team

“I feel the negative side is the impact ACF has on benefits. We have parents who come to us for support when starting back to work or education. We offer them support of the first 4 weeks or month of childcare, but then when they set up their Universal credits or Tax Credits they are then sanctioned because they don't have evidence to show they have made a payment. With Universal credits paid in arrears this makes it really difficult for parents to get into advance payments (which we require as an organisation to run our services).

Parents are then having to pay the advance payment from the first wage or bursary which for a full time place could be as much as £263.90 but then wait for a month before UC can refund the childcare % back to them, this leaves parents struggling to manage their budget for the rest of the month. I also feel that Universal credits can be difficult for parents to access as parents mostly report that they feel they literally need to jump through hoops to get the childcare payments they are entitled to.

For example: Some parents can submit a printed childcare statement of childcare costs which Universal credits accept, other parents are advised this is not acceptable evidence and we need to produce a manual letter [which with the amount of parents on UC] can be time consuming for finance staff. Some UC offices accept a copy of the parents bank statement, others insist on a payment receipt with the childcare costs and childcare period written on it. Whereas other parents have been advised as the receipt does not have Indigo's name on it, it is not acceptable and again a manual letter is required. This can be really frustrating for parents who are continually sanctioned for not providing the correct evidence or meeting the submission dates. Parents are then left to fight with UC to try and

get the missed benefits payments refunded back to them.” Family Support co-ordinator now supports families to overcome these challenges however that is only for the families who have engaged with family support.

What steps would be helpful at ensuring those not currently employed, and are looking for work, are supported?

- Access to Whole Family support in a welcoming, nurturing and neutral environment.
- Access to information relating to what childcare is available
- Access to information relating to their community
- Access to childcare during their ‘getting work ready’ phase
- Access to support about their own or their child’s diagnosis where there is someone with an ASN or a disability.
- Acknowledge that for many, it could take some time to become job ready but there are lots of small steps that can indicate progress.
- Also, allow for a period of time where full support is still in place even when a job is secured and things seem to be progressing well. Our findings illustrate that families who move on too quickly (as with the UC system) bounce back into requiring more support more quickly. They need to be given more time to establish a better layer of financial resilience, in order to weather the storm of any future bumps in the road.

Do you feel that parents who want to improve their employment options have sufficient access to education and training in your area? If not, what could be improved?

- No current dedicated employability support in Castlemilk.
- All SIMD 1 and 2 areas should have a flexible and creative model of employability support located within their community. Offering a service located 5 miles away in a different community, isn’t accessible for families who don’t drive – which is the majority of the case.
- One parent had to leave her course to be a Health and Social Care assistant because the course would only provide a subsidy for childcare for one of her two children, this can’t be allowed, if a subsidy to support parents in learning exists, parents with more than one child should not be penalised.
- Colleges and some universities pay childcare establishments direct, however some universities and various funds, Childcare costs Funds, SAAS, Discretionary fund are paid directly to families which can have an impact in relation to debt/ money management. Expectation on families/ prioritising other debt
- Easier form/application processes and links between education institutions and childcare organisations – parents are being made to jump through hoops, bear their souls multiple times over for every type of support they ask for. This is painful, depressing and for a lone parent with 3 children, trying to hold down a low income job and juggling 7 of the barriers in day to day life mentioned earlier – it is pretty much impossible.
- More support for ESOL students to complete forms, support that is warm, welcoming and nurturing, not mechanical and process driven and makes the parent feel like a burden.

- Student nurses etc., can be required to carry out placements Mon-Fri all year round but still received capped funding on childcare placements which does not cover their needs
- Better benefits information and support for students
- Clarity on what is possible presented fully in the context of the implication on existing benefits.

What can employers do to offer more family friendly and flexible working conditions?

- Understanding of caps on working hours/restrictions and how they impact employee benefits e.g. UC, tax credits
- Contracted hours options
- Paid sick leave
- Increased offer of hours during school/childcare hours
- Working from home opportunities where possible
- Provide and signpost to the kind of support that all families need whether its health and wellbeing, financial, relationship, housing etc..

What do employers need from the Scottish Government to offer family friendly and flexible working conditions?

- Fair payment for government funded services
- Less bureaucracy and administration
- Access to information on what support is needed and how to provide the support needed within the confines of what's possible for their organisation. Extension of Scottish Enterprises Workforce Innovation support programmes could assist with this.

What could the Scottish Government prioritise to help parents into work and better paid jobs?

- Subsidised/free childcare (9mths-16yrs) that enables parent/carers to career hop while maintaining their childcare placements
- Universal access to Whole Family support – destigmatise this – it shouldn't just sit with social work and be seen as for families in crisis, everyone needs some support at some point in their parenting journey.
- Address the inequity in pay for health and social care workforce including childcare. 38% of families engaging with our family support service work in health and social care.
- Supporting the sectors who employ the majority of parents in areas of significant deprivation, health and social care, hospitality, retail, are the most significant sectors in families across Indigo services. Supporting those sectors will support families in areas of deprivation.

If the Scottish Government wants to help parents into work and better paid jobs, which changes should be its priority?

- Accessible free and subsidised childcare (9mths to 16yrs) available for parent/carers from getting work ready as well as settling in period e.g. length of probation period that allows family finances to adjust and settle

- Universal access to whole family support – not just for families perceived by social work to be in crisis.
- Recognise that for some Getting work ready could be a while off, e.g. a mum who hasn't left the house in 2 years will need to take small steps in that journey but each step is an achievement and a step on the way that needs support.

Is there anything else you would like to tell us?

Appropriate Services and Upholding Dignity

Our approach to family support includes connecting families to a wide variety of services and supports to widen their support network. While increasing families' knowledge and confidence in accessing various resources and supports has been very positive, we also have to be very aware that some families with more complex circumstances often have multiple agencies involved. We therefore ensure to co-ordinate and streamline with other agencies where possible and appropriate, as we are conscious that with each service there is often an expectation that families disclose extremely personal and sometimes painful experiences and circumstances.

We also support families to navigate through what can often be a complicated web of agencies and supports and advocate for them when services are not meeting their needs. One of the challenges we have faced while using this approach is encountering services that perhaps do not uphold the same values in respecting and protecting families' dignity while accessing services. A key example of this is a local housing association who were one of our referral pathways for energy vouchers for struggling families. Recently, one family was denied a voucher based on her refusal to participate in a budget lesson after she was approved a voucher several months beforehand. This resulted in the Family Support Co-ordinator being invited to a team meeting facilitated by the energy advisor. During the meeting there were several comments that the energy price hike should be affordable if people budgeted and that struggling to manage energy bills was often a result of failure to prioritise as 'you often see people walking about with the best iphones but they 'can't' pay their bills'. In a circumstance like this, the family may have been gifted the iphone, the iphone is their primary source of communication, no laptop or tablet therefore needs to be up to date to access a wide range of systems and information, the reality is that this kind of "judgement" is unhelpful.

As a result of this experience we were no longer comfortable referring families to the service as our knowledge and understanding of our families is that the vast majority struggle with lack of resources over lack of budgeting ability. However, consequence of this is that we have lost a financial resource for families in a cost of living and energy crisis. "There's a lot of embarrassment, like it's not good to be made to feel like that you're already down in the dumps without having to justify everything. I'm already energy efficient, like sometimes it's just to do with money... See that housing, they did supportive things but it felt like as if it was a way to jump down your throat. Like tell me what you did with your last pay break down everything, like do you think I kept every receipt. I just feel like there were loads of questions, don't get me wrong I know you've got targets and stuff but you're prying into every part of your life for a £30 voucher" – parent/carer on accessing energy support.