

**CHILD
POVERTY
ACTION
GROUP**
in SCOTLAND

UNISON
Scotland



**FAIR WORK
DECENT CHILDHOODS**

Policies for those who work to live lives free of poverty

INTRODUCTION

All political parties say work is the key driver for tackling poverty and we at UNISON Scotland and CPAG in Scotland agree work must be key to any anti-poverty strategy.

However work is not working for everyone. Six in 10 children who live in poverty have at least one parent in work. UNISON has evidence of public sector workers such as care workers who earn below the minimum wage, never mind a living wage. In some sectors like retail and care, low pay is endemic. One in five of the workforce is earning less than the living wage including 39,000 workers delivering Scotland public services. CPAG in Scotland case evidence highlights how in-work poverty is undermining family life, damaging children and too often leaving families reliant on food banks.

The low paid have seen stagnating wages and high prices, especially for those on low incomes who face higher rates of inflation. We have seen the longest pay freeze since Victorian times. Local government workers, for example, have suffered a 17% real terms pay cut and the average worker is now almost £2000 a year worse off than in 2010.

At the same times we have seen an assault on our social security system and the support it provides to low income workers. Working families have been hit by cuts to working tax credits and childcare support, cuts to housing benefit, the under-occupancy charge 'bedroom tax', the freezing of child benefit and the breaking of the link between benefit uprating and inflation. Over £2 billion is estimated to have been cut from the annual value of the benefits and tax credits families in Scotland rely on, with over half of 'welfare' cuts coming out of working families pockets. The inevitable consequence is a child poverty crisis, with in-work child poverty already rising particularly sharply.

We therefore call on all parties to bring forward policies to ensure the next UK government helps those who work to live lives free of poverty.

UNISON Scotland and CPAG in Scotland campaign against all poverty. However rising levels of in work poverty pose a specific threat to families and a real challenge to government. In the run up to the 2015 UK election this joint manifesto sets out action we believe the next UK government must take to tackle the problem.

PUBLIC ATTITUDES

Despite an onslaught on poorer families by some sections of the media and some politicians the public continue to support further investment in public services and our welfare system. In an independent poll, undertaken by Survation for UNISON, Scottish voters said public services, welfare, jobs and pay were the most important issues for them in the coming general election.

The public were asked if the next government was to raise £2bn by cracking down on tax avoidance, 58% of respondents believe that the money should be spent on improving public services compared to 19% who think it should be spent on reducing borrowing and 17% who think it should be used on income tax cuts.

FAIR WORK

WORKING PARENTS NEED ACTION TO HELP BRING HOME A DECENT INCOME AND A STRENGTHENING OF THE NEW UNIVERSAL CREDIT

With six in ten children in poverty having a parent in work strengthening wages and in-work benefits are a key part of any credible plan to end child poverty.

The vast bulk of universal credit implementation is due to happen under the 2015-2020 UK government, and it is forecast to help lower child poverty once it is in place. But due to a range of cuts, notably the freezing of work allowances, the poverty-fighting potential of universal credit has been reduced even before it is fully rolled-out. Combined with the lack of a work allowance for second earners, this means that it is harder for parents to make work pay.

Meanwhile, rising costs and stagnant wages mean that working families are still worse off than they were before the financial crisis. With the national minimum wage falling in real terms over the past few years, parents on low incomes are particularly hard hit.

UNISON and CPAG call on the next UK government to:

1. Increase the national minimum wage, support the living wage and boost family-friendly jobs

- Wage levels are a key part of making work pay. The new UK government must demonstrate its leadership and ambition by encouraging more employers to pay the Living Wage and committing to big increases in the national minimum wage alongside beefing up enforcement. The aim should be a National Minimum Wage at a Living Wage level. The subsequent savings in in-work benefit expenditure can be used to restore wider family benefits.
- There has been a massive increase in nominal zero hours contracts and other forms of insecure work. Scotland and the UK must not compete in a race to the bottom of the world economy based on insecure work, low wages and low skilled economy. A new government must tackle insecurity at work: outlawing zero hours contracts, and short hour contracts where they undermine parents ability to juggle work and childcare responsibilities.
- Employers should act to publish their pay ratios and account for the distribution of pay within their work-places.
- The new government should support a new era of corporate democracy based on a constructive relationship between trade unions and employers in both the public and private sector. Working parents need a greater say in how they are employed.

2. Boost work incentives for parents in universal credit

- If more parents are to be helped into work, that work needs to pay. A universal credit work allowance for second earners, and an improved allowance for single parents, allowing low income families to keep more of their earnings, is an essential part of this. The 2015 government must stop the raids on the universal credit budget that reduce its potential for poverty reduction. A review of monthly payment and assessment and payment of universal credit to the main earner is also needed urgently.
- Parents should be incentivised rather than coerced to increase their hours of employment, and should only be expected to work the hours that they regard as reasonable. New research from CPAG (<http://cpag.org.uk/content/round-clock-work-poverty-and-hours-question>) shows that few think it is fair that low paid parents have to work long or unpredictable hours in order to live a life free of poverty. Despite this, universal credit introduces in-work conditionality which looks set to place tougher and more intrusive requirements on in-work parents to increase their hours, with the threat of a benefit sanction if parents do not comply.

3. Provide back to work support that works with parents

- Parents overwhelmingly want to work, and the evidence shows that they value and benefit from good quality support. CPAG and UNISON believe government should invest in back to work support at local level that emphasises the strong, positive relationships with advisers that are proven to work.

4. Tackle work insecurity

- A new government must rebalance fair employment rights. Alongside beefing up enforcement of the minimum wage, outlawing exploitative zero hours contracts and other forms of insecure work. Scotland and the UK must not compete based on insecure work, low wages and low skills. There should be an end to employment tribunal fees which have shut so many workers out from access to justice in the workplace. The cuts in health and safety provisions should be reinstated and enforcement strengthened.

5. Supporting work life balance and high quality childcare

- Parents in Scotland currently pay an average of 27% of their household income on childcare. (compared to an EU average 12%). Childcare is devolved, but how it is paid for (through the tax credit and social security system) and it's link to flexible working rights is reserved.
- The problem is that the childcare system is complex and expensive. And as such it is a barrier to work for parents. Women, in particular, who have young children find it hard to take on more work, to progress in work and often can do no more than keep one foot in the work place. The workplace penalty for motherhood is substantial.
- We need three way investment for children families and staff. For children we need high quality childcare, free at the point of use. For parents we need to change workplaces with a year's paid maternity leave, extended paternal leave and improved flexible working rights. For childcare staff we need fair pay, training, preparation time and study leave and real career paths. Together these will balance family and working lives and give children a high quality childcare they need.

DECENT CHILDHOODS

WORKING FAMILIES NEED A SOCIAL SECURITY SYSTEM THAT PREVENTS IN WORK POVERTY AND WHICH SUPPORTS PARENTS WITH THE REAL COSTS OF BRINGING UP A CHILD

Children are the future of our country and our economy. We all benefit from their upbringing and need to collectively invest in them as our future. But it costs money to raise children. In the two years since CPAG started measuring the cost of a child, the minimum cost has risen by 8 per cent for a couple and 11 per cent for a lone parent. Costs for low income families are rising fastest of all, with the Minimum Income Standard (the minimum income the public think is enough to live on, to maintain a socially-acceptable quality of life) rising by more than a quarter between 2008 and 2014.

At the same time, family incomes have risen far more slowly, if at all. And low income families have also faced higher rates of inflation than others. Yet earnings have been stagnant, and benefits for families with children have been cut in real terms. Child benefit will have lost 14 per cent of its real value over the course of this Parliament. We are now one of very few European countries that do not have a universal child benefit. The constant erosion of child benefit, money that is spent on necessities every child needs, damages childhoods.

By tackling the drivers of benefit spending – low pay, high housing and childcare costs – and developing a more progressive tax system we can ensure our nation's wealth is used to restore support for families, prevent poverty and reduce inequality that damages too many children's life chances.

UNISON and CPAG call on the next UK government to:

- Think and talk in terms of 'social security' not 'welfare'. Families in and out of work need additional support with the costs of raising the next generation, and the new government must commit to avoiding artificial distinctions between working families and those where parents are unable to work due to unemployment, ill health, disability or caring responsibilities. All families need adequate incomes to protect their children from poverty, and the social security system plays a crucial role in providing that income, for working families as well as those without paid work. The next government must help rebuild trust in the social security system, not further undermine it.
- Ensure child benefit is never rolled into universal credit. It is increasingly evident child benefit is families' only protection when means-tested benefits fail.
- Introduce a 'triple lock' for children's benefits so that benefits are uprated in line with earnings, prices or 2.5 per cent, whichever is greater. This would ensure that the value of these benefits falls no further – and are gradually restored to their former value.
- Tackle the drivers of benefit spending. Low pay, high housing costs and high childcare costs all put pressure on our social security system, meaning the system has to do more of the 'heavy lifting' in preventing poverty than in most other European countries. Tackling these underlying drivers will reduce pressures on the system – and the savings can be used to restore the benefits families in and out of work rely on. The

next UK government must, working with the Scottish government; develop an ambitious childcare strategy based around a supply-side, universal model and support a shift toward investment in housing supply to ensure quality secure housing is affordable for working families.

CONCLUSION

We must end an austerity approach which has caused so much damage to too many working families. We are being told that 60% of cuts are still to come with the deepest cuts programmed for 2018-19. UNISON Scotland estimate that another £2bn of cuts would bring cuts to vital services and a further 30,000 job losses in Scotland.

We need a wage led recovery. Public services and our social security system need investment so we can build local economies and protect families – including ALL working families.

Ending in work poverty and the damage it does to our children requires action at many levels – including from employers, consumers, Scottish and local government. But by acting on the proposals set out in this brief manifesto the next UK government can play its key role in ending the scandal that most children in poverty are living in working families.

For further information contact

**CHILD
POVERTY
ACTION
GROUP**
in SCOTLAND

CPAG in Scotland research and policy team
0141 552 3303

UNISON
Scotland

UNISON Scotland's Bargaining and Campaigns team
0141 342 2811