

BENEFITS



**A Journal of Social Security
Research, Policy and Practice**

Issue 1 April/May 1991

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A Journal of Social Security Research, Policy and Practice

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Benefits will address a wide range of social security issues. It is particularly concerned with questions of policy and practice, informed by research and research findings. It will commission and publish articles, papers, research notes, empirical studies, policy analyses and review articles which promote the exchange of information and broaden understanding, on the boundaries and links between social security and social policy, personal social services and other statutory/non statutory organisations and agencies.

Unsolicited research notes and reports, articles and other manuscripts are also welcome. Please ask for the *Contributor's Notes of Guidance*. Material should be sent to the Editorial address, below. All books for review should also be sent to the Editorial address.

The Journal will play a central role in keeping policy makers and practitioners in the statutory and non statutory sectors, and their academic colleagues informed and up-to-date with current themes, issues and developments in social security research and related policy and practice.

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SILVER JUBILEE

1991 ANNUAL CONFERENCE

The Politics of Social Policy

Tuesday 9th — Thursday 11th July 1991
at
The University of Nottingham

MAIN SPEAKERS

David Donnison (University of Glasgow)

Norman Johnson (University of Keele)

Malcolm Wicks (Family Policy Studies Centre)

Fiona Williams (Open University)

A variety of other papers linked to the conference theme will be presented in
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Benefits is a journal devoted to issues of social security policy and practise, and in particular to those issues where the debates are informed by research evidence. It is a striking, indeed a disgraceful, fact that until now there has been no such journal.

Consider this fact; in 1989 social security expenditure accounted for 29%, nearly one-third, of all general Government expenditure; more than health, more than housing, more than defence. But the National Health Service, the Educational system, and questions of defence are widely and daily discussed in the newspapers and in a variety of specialist journals whether they be weekly 'trade' papers, or current affairs magazines. Social security gets scant treatment in the newspapers, discounting the occasional moral panic in the tabloids, and there are very few specialist or general interest journals.

Consider next that there is hardly a single person in the United Kingdom who is not at some time in their lives involved with the social security system whether as a contributor or as a beneficiary, and frequently as both. Figures in the Fowler Reviews showed that in 1984/5 over 9 million people were drawing retirement pensions, that nearly 7 million mothers received child benefit in respect of 12.5 million children. In that year these two benefits alone embraced not far off half the entire population of the country, and accounted for over half of the £38 billion social security budget. At that time serious doubts were being raised as to whether these benefits should be maintained intact, or should be severely modified. But there was no forum where these crucial issues of public policy could be debated in an informed and responsible fashion.

Benefits hopes, at least in part, to rectify this situation. We intend to publish three times a year; each issue will include a number of regular and informative features which report on policy discussions and developments, as well as on important issues of practise, particularly those where social security officials engage with other professional groups, for example health service personnel, or workers and managers in social services and social work departments. At the same time we shall not lose sight of the changing needs, experiences and opinions of the many different publics that are served by the social security system and its staffs.

Among the features that will appear regularly are:

'Research Round-Up', edited by Richard Silburn, brings together contributions from a wide range of research units and centres, and provides a network for the research community;

'In Practise', edited by Sue Redmond and Chris Davies, reviews the Welfare Rights scene;

'Official Business', edited by Ruth Lister, monitors the most important Government and HMSO publications, official reports, enquiries, and (once more), Royal Commissions;

'Report Back', edited by Susan Balloch and Nicola Simpson, brings news, comments and reports from the world of local Government and the major voluntary organisations;

'Policy Review', edited by Carol Walker, includes policy ideas and proposals from the pressure groups and the think tanks.

Each issue of *Benefits* will give especial (although not exclusive) emphasis to a chosen theme. This launch-issue concentrates on one parent families, with particular reference to the White Paper *Children Come First* and the Child Support Bill that is at present before Parliament. Three specially commissioned articles address these matters, and many of the other regular features include material that relates to lone parents. (See for example 'Briefing' which provides a summary of the main points of the White Paper and 'Viewpoint' which provides a critique).

Benefits is not a campaigning or lobbying journal, although where appropriate its columns are open to those who have a campaigning issue in mind (especially in the 'Viewpoint' feature). Its first commitment is to the dissemination of information, evidence and argument. This accounts for the high profile which is given to research findings, and the Editorial Board will be pleased if through the pages of the journal some readers discover more about the great range and diversity of research activity that is taking place.

Finally, *Benefits* must belong to its readers. The Board hopes to hear from its readers. We need to know what you want from this journal. What are the issues that concern you most? Are there any particular problems of social security that you would like to see covered in a future issue? Have you research evidence to report? Comments, suggestions and copy are all equally welcome, and should be sent to us at the Benefits Research Unit at Nottingham University for forwarding where necessary to the appropriate member of the Board.

Briefing is a regular feature which summarises a key area of policy or legislation (and which is the central theme of that issue of *Benefits*). This Briefing focuses on the White Paper *Children Come First*.

Children Come First (Cm 1264 Two Volumes) HMSO, London, 1990.

This White Paper puts forward a new administrative system for the payment of maintenance. The proposals are intended to ensure that:

- Parents honour their responsibilities to their children whenever they can afford to do so;
- a fair and reasonable balance is struck between the liable parent's responsibilities for all the children he or she is liable to maintain;
- the system produces fair and consistent results;
- maintenance payments are reviewed regularly to reflect changes in circumstances;
- parents' incentives to work are maintained;
- the public receive an efficient and effective service;
- dependence on Income Support is reduced.

Maintenance will be calculated by formula. The formula will consist of:

- a *maintenance bill* for the support of the children. The bill should be met as soon as the parent can reasonably afford to do so;
- *exempt income* which is income which the parents keep for their own essential expenses before maintenance is calculated;
- a *deduction rate* of 50% from *remaining assessable income*. In combination with the exempt income, this means that most liable parents keep about two thirds of their total net income for themselves and pay up to one third of their income in maintenance;
- a *protected level of income* which ensures that any liable parent not receiving Income Support will always have an income above Income Support levels after he has met all his inescapable obligations in his new household.

Below is an example of how the formula will be applied in a particular case:-

Sharon and Gary have a son Matt who is 3. Sharon and Gary have never lived together and their relationship broke up soon after Matt was born. Sharon is not working.

Gary lives in a rented flat which he shares with two friends. His share of the rent is £20 a week. His net income is £120 per week.

The maintenance bill in respect of Matt is:-

	£
Child Allowance	12.35
Family Premium	7.35
Lone Parent Premium	4.10
Parent as Carer	36.70
Sub total	60.50
less Child Benefit	7.25
Total Maintenance Bill	53.25
	(rounded down to £53.00)

Gary's exempt income under the formula is:

Personal allowance	36.70
Housing costs	20.00
Total Exempt Income	56.70
	(rounded up to £57.00)

Gary's assessable income is:

Net Income	120.00
Less Exempt Income	57.00
Total Assessable Income	63.00
	per week

Gary will therefore pay 50% of £63 in maintenance (i.e. £32). This represents 27% of his total net income. He keeps £88 (83% of his net income).

A Child Support Agency will be created. It will have responsibilities for the assessment, review, collection and enforcement of maintenance payments. It will have powers to:

- collect information on incomes and obligations;
- make a legally binding assessment;
- determine methods of payment;
- monitor and, where necessary, collect maintenance;
- enforce payment where payments fail.

Other Related Issues

1. Liable parents on Income Support (except those who are sick or disabled) will have the same financial obligations towards their children as all other parents.
2. Parents claiming Income Support or Family Credit will be required to make a claim for maintenance to the Agency. Caring parents who refuse to cooperate in this process (without good cause) are liable to have their personal allowances reduced.
3. The Child Support Agency will handle all maintenance claims and reviews. The Courts will still deal with related matters such as access, property issues and paternity disputes.
4. Caring Parents who receive Family Credit, Housing Benefit or Community Charge Benefit will have the first £15 of any maintenance payment disregarded in calculating their income entitlement.

The Finer Report: Twenty Years On

by Colin Gibson

The Departmental Committee on One-Parent Families had been appointed in November 1969 by Richard Crossman, the Labour Government's Secretary of State for Social Services. Its terms of reference were to consider the problems of one-parent families in our society; to examine the nature of any special difficulties which the parents of the various kinds of one-parent families may encounter; and to consider in what respect and to what extent it would be appropriate to give one-parent families further assistance. The last directive was qualified by the need for the Committee to have regard to "the need to maintain equity as between one-parent families and other families," and "practical and economic limitations".

The Committee, under the vibrant chairmanship of Sir Morris Finer, recognised their terms of reference specifically required commitment to ameliorate the dearth of reliable information about their subject. Sound factual knowledge rather than supposition was an essential foundation for the construction of responsible and relevant recommendations advocating changes and improvements. After four years of collecting and sifting of evidence the Committee's thinking emerged as a Blue Paper in July 1974 (Cmnd 5629). The 500 page report was a compilation of factual testimony to the increasing numbers of one-parent families, their specific needs, the range of policy choices and some 230 proposals to alleviate some of the deprivations and injustices experienced by lone parents and, more importantly, their children.

The Finer Committee firmly believed that the problems confronting one-parent families could best be analysed if they were "grounded in a socio-legal analysis of lone parenthood which begins by showing how much of the past still survives the present" (para. 2.1). The Report was in essence a cogent documentary dissection of the place and status of women in Britain; their disadvantages, discrimination and prescribed role within a social and legislative framework designed and enforced by an establishment of men.

A Committee has to persuade both Parliament and public opinion into accepting at least some of their major recommendations as essential for the general well being of the community. By this test, the Report was a victim of political infanticide by a Government displaying scant recognition of paternity. This review suggests some reasons, examines the demographic trends of the last two decades and notes how changes in these

family patterns can effect, and in other instances are created by, current social conditions. But, firstly, the arguments of the Report need to be briefly set down.

A Question of Support

Most of the problems facing one-parent families centred around the need for adequate income support. Private law, provided by family law legislation, declares fathers have a legal liability to maintain their dependent children. This obligation extends to the mother if the father was or had been married to her, and continues until she remarries.

There was (and there remains) a two tier court structure dealing with maintenance applications. Those who seek a license to marry again turn to the divorce courts that are sited in large towns and cities. For others not immediately seeking divorce or judicial separation, the 1,100 magistrates courts have power to award maintenance and adjudicate questions of custody and access. However, survey findings from the Oxford 1972 survey shows some 70% of these marriages will eventually end up in the divorce court. The Finer Committee believed this division of family work between the two courts reflected on unacceptable legislative attitude and approach to the treatment and handling of the consumers of these legal services.

A national study examining the making and enforcement of maintenance and affiliation orders in the summary courts, undertaken in the mid 1960's by Lord McGregor, Louis Blom-Cooper and the writer, concluded: "the matrimonial jurisdiction of magistrates is used almost entirely by the working class and very largely by the lowest paid amongst them" (*Separated Spouses*, 1970). And the unmarried mother had no choice, the heritage of the old Poor Law and its criminal pedigree had placed her remedy exclusively in a structure whose lineage of 'Police Court' remained chiselled on the face of some older buildings.

A later 1971 follow up study showed wives who turn to the summary courts seldom get awarded an amount of maintenance that is in any way adequate for their day to day needs. McGregor and Gibson took the total maintenance awarded to the wife for herself and children and calculated an average family group amount by the number of children. There was no group where the wife had a sum larger than the amount of

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"The Finer Report was in essence a cogent documentary dissection of the place and status of women in Britain; their disadvantages, discrimination and prescribed role within a social and legislative framework designed and enforced by an establishment of men...

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social security benefit she would have been entitled to under the Income Support regulations (assuming that she was not earning) of the then Supplementary Benefits Commission. The overall findings demonstrated "beyond any possibility of dispute that amounts of entitlement under Supplementary Benefit exceed the amounts of maintenance available through the courts even on the assumption that court orders would be paid regularly and in full." But the orders then and now are seldom paid regularly. The reality was not that magistrates were failing in their duty to award a proper level of maintenance to wives, but that husbands did not have the means to allow such amounts to be ordered. Examining the income of husbands of wives with two children we found that 89% earned less than £30 a week in the spring of 1971. These earnings may be compared with the average weekly earnings of male manual workers in April 1971 of £28.

Though the issue of maintenance remains at the centre of the parental obligation debate, it has long ceased to be a major source of financial support for one parent families. Today, maintenance payments form less than 10% of lone parents' income. In essence it was, and remains, the presence of social security which actually underwrites the financial subsistence the courts have pledged. Finer made clear that understanding of, and improvement in the area of one parent family support could only occur with recognition of the vital role of the public law of social security. As a result a father's legal obligation to maintain his dependents, and the moral duty of the community to provide welfare and social security benefits were covered by these overlapping systems of law: dissolution in the divorce courts, the matrimonial jurisdiction offered by magistrates, and social security law under the then Supplementary Benefit Commission.

Proposals and Rejection

Two major overlapping recommendations were proposed: neither were accepted. Firstly, the existing edifice of courts should be replaced by a system of family courts. This would ensure cases were dealt with by a uniform set of legal rules applicable to all citizens. As well as administering family law, the new courts should have supporting services; thereby allowing direct access to provisions such as conciliation, legal help and advice and welfare benefits. A new administrative authority, or possibly the SBC, should make, collect and enforce a new type of binding administrative order upon liable fathers. Secondly, the Government should introduce for one-parent families, a special social security benefit termed the guaranteed maintenance allow-

ance (GMA). The child portion of GMA would go to all one parent families regardless of income. The adult portion would allow an initial earnings disregard equal to the amount provided by social security regulations.

Various overlapping explanations can be put forward to account for the Government's lukewarm response to the Report's recommendations.

- 1) The DHSS vehemently resisted the proposed transformation of one parent families into a favoured group within the Supplementary Benefits system, thereby rejecting the claim that the future welfare of children deserved special treatment. The Department argued that neither the policy nor the expenditure were justified.
- 2) As a pressure group one parent families do not attract public sympathy. Claims from interest groups like the elderly or handicapped receive wider support, and this response is reflected within Parliament.
- 3) The interests of too many Departments were threatened. The ideological framework supporting policy implementation is built up and developed over time. There needs to be Departmental convictions that change will produce a distinct improvement in administration. This belief did not exist. At the same time, the political boundaries of existing Whitehall empires would have been altered. The Home Office resisted the attack on its control of the siting of the magistrates matrimonial jurisdiction. Finer's implementation would have seen the removal of family hearings from the existing criminal courts to a new purpose designed family court structure, housing and handling all such civil matters.

Demographic Changes

The Report was grounded in empirical evidence of what was known about family composition and trends. The pattern seemed reasonably clear when preparing my research reports for the Committee in those early 1970 days. Marriage was more popular than ever, people were marrying at ever younger age, women had greater control over their own fertility, a larger proportion of the population would live to 80. Greater awareness of contraception and the extended availability of abortion were factors suggesting the extramarital birth rate of 8% would remain static or possibly decline. The major blip to the picture of family life housed within wedlock was the increasing rate of marriage breakdown.

Retracing the same ground today leaves one

less confident to prognosticate. Social class as an interpretive factor remains helpful in analysing changing family patterns. The causes of change are seldom clear and certain.

Eight out of ten (81%) women born in 1945 had married by the age of 25. The early 1970's saw a stop to the falling age at marriage, since then the trend has reversed to produce a clear momentum to delayed entry as shown by the decline for women born in 1960 to a marriage proportion of 61% at 25. Arm in arm with the evidence of delay or possible abandonment in entering marriage is the increasing popularity of extra-marital cohabitation. More couples are living together in stable relationships and raising children out of wedlock. Today one in seven of all new born children will have parents living in consensual unions.

Non-marital births have risen from 8% of all births in 1971 to 27% in 1989. In some inner city areas such as Lambeth (1986: 46%) the likelihood of a birth being non-marital has become par. Half of all non-marital births are jointly registered by the mother and father who live together and form a dual parent family unit that excludes them from one parent family surveys. It is likely that in Britain there are over 400,000 children living with their unmarried parents. Such relationships may contract into marriage, break down into a one parent unit or continue in their present form. Reliable demographic evidence is not available to provide the necessary information on this new feature of family life.

The surging divorce rate of the 1970s is the feature explaining why it is that the lone divorced mother group accounts for almost three quarters (71%) of the increase in all one-parent families between 1971 and 1986. If the 1986 pattern remains valid then something like 8% of all dependent children are being brought up alone by separated or divorced mothers.

All the demographic evidence combines to suggest that at least a third of all children will experience a one-parent household before their sixteenth birthday.

"Half of all non-marital births are jointly registered by the mother and father who live together and form a dual parent family that excludes them from one parent family surveys... In Britain there are 400,000 children living with their unmarried parents".

Lone parent families in Great Britain, 1971 and 1986

Lone parent	Numbers		Children 1986	Lone parents increase 1971-1986
	1971	1986		
Mother	(thousands)			%
Single	90	230	300	156
Separated	170	190	340	12
Divorced	120	410	740	242
Widowed	120	80	110	-33
Sub total	500	910	1490	82
Fathers	70	100	150	43
Total	570	1010	1640	77

Projecting the table figures recorded for 1986 to a likely 1991 form means that there are currently over three million adults and children in lone parent families. The table underlines the impact of divorce, followed by lone motherhood on the overall numbers. Only the widowed mother group has declined, a reflection of improving mortality rates among working men.

The one-parent families that mass to form the cold statistics of numbers and trends are, when observed as individuals, constantly changing their social pattern and status. For instance, a follow-up study of couples divorcing in 1973 showed half the women had married again within four and a half years. The reality of being a one-parent family may be only a fairly short period within the adult's life. The fact that the majority of lone parent families become reconstituted into new family forms has important social and legal implications.

Financial and social trends

In 1971 some 246,000 lone parents were sufficiently poor to qualify for, and receive Supplementary Benefit (the forerunner of Income Support). By 1989 the numbers of such families dependent on Income Support had increased 213% to total 770,000. Over this period the proportion of lone parents receiving Supplementary Benefit increased from half (48%) to three-quarters (76%). Lone parents are placing increasing reliance on the Department of Social Security (henceforth DSS) Income Support to meet the daily needs of their children and themselves.

The Government's White Paper *Children Come First* provides evidence of the impact on Treasury coffers. The resultant cost of income related benefits in 1988/89 was £3.2 billion. Even more significant has been the increasing propensity of lone parent welfare payments to take an ever larger bite of all social security expenditure on families with children. This proportion is now more than half. Only 30% of absent fathers make

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regular maintenance payments, one factor being their generally lower net wages. Many men acquire new family obligations without the income to properly maintain two households. The DSS's past practice was to realistically allow the current family first claim on the man's wages. The Child Support Bill currently going through Parliament aims to give equal claim to both families.

The Bill's somewhat unworldly and inconsistent approach is illustrated by the White Paper's published example of a man who, as a result of remarriage has two young step-children and two children with the ex-wife. From a net weekly income of £180 there are mortgage repayments of £60. The formula's calculation of exempt income allows the father half his housing costs but provides no allowance for the new wife and mother of his step-children.

The husband's two own children create a maintenance liability of £40, and a resultant income which (together with child benefit) totals £155. These figures have to be set against the national average weekly income of £413 received by a comparable household of a man and woman with two children. The same *Family Expenditure Survey* for 1989 records this household's weekly expenditure to be £285. The maintenance problem clearly analysed by the Finer Committee was how to effect adequate distribution of inadequate resources between people of small means. The legal and economic dilemma remains as diagnosed by the Finer Report: neither family law nor public formula "can provide the method of extracting more than a pint from a pint pot".

The White Paper highlights the unsatisfactory working of maintenance but gives little thought or attention to the service and care support facilities necessary to allow lone mothers opportunity to earn, or the broader issues of the status and social situation of women. The last two decades have produced a fall in the proportion of lone mothers in employment from 45% in 1971 to 39% in 1988 though the trend for married mothers with dependent children has increased. Finer firmly held "many lone mothers who at present remain on Supplementary Benefit are anxious to work, and we have no doubt that, financial considerations apart, many of them would benefit psychologically and socially as well". The Committee recognised many lone mothers were restrained from seeking employment by the poverty trap. Under the GMA scheme, after the initial disregard, the adult element would be reduced by half for every pound earned after statutory deductions, ending altogether when earnings became as high as average male earnings. The recommendations' radical taper element aimed to ensure mothers had a practical choice of whether to seek employment or

stay at home.

The child caring role is traditionally seen as unpaid women's work and not a state responsibility as in the rest of Europe. Limited work opportunity, low wages and poor child care facilities make it uneconomical or impossible for many mothers to seek employment. The Report recommended considerable expansion in day care services for children under five. We continue to have the lowest level of publicly funded childcare in Europe. Less than 2% of children under 3 receive day care, compared to 44% of children in Denmark. The fact that lone mothers in employment are more likely to be concentrated in low paid jobs is reflected in the 104,000 such mothers who in April 1989 received Family Credit as a supplement to their earnings.

Income Support - together with the all important additions of Housing and Community Charge benefits, free school meals and other related support provides regular and reliable financial help. The new (post 1988) earnings rule allows a weekly disregard of £15, but takes no account of child care bills while in employment. It is not surprising we find an increasing proportion of lone mothers remain on Income Support.

In housing one parent families are more likely to experience poor physical conditions, overcrowded accommodation, and life in less desirable areas. Seven out of ten lone mothers live in rented accommodation compared with a quarter for married couples. Most (80%) of the rented accommodation is provided by the local authority.

Research undertaken by the NSPCC in 1989 on their own Child Protection Registers in 12 local authority areas found one third of children placed on the registers because of abuse were living alone with their mothers. Mr Rae-Price, president of the Association of Directors of Social Services, and director of social services for the London Borough of Islington, recently commented: "we are seeing an increasing number of young immature women living on their own and trying to bring up children". Being in debt was judged to be a significant stress factor in 22% of the families.

"One-parent families are at special risk of becoming homeless," concluded Finer. This very high risk continues; in 1987 lone families represented 40% of all homeless acceptances by local authorities.

Behind all the current distress and deprivation experienced by lone mothers, lies financial need. Poverty has intensified over the last twenty years. Finer's appeal lies forgotten.

Further References

Joan C. Brown. (1988), *In Search Of A Policy: The Rationale for Social Security Provision for One Parent Families*, NCOPE.

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Lone-Parent Families in the UK - Research Findings and Policy Issues

by Jane Millar and Jonathan Bradshaw

Introduction

There are now just over one million lone-parent families in the UK, with 1.6 million children. This means that about 14 per cent - or one in seven - of all families with children are headed by a lone parent. Most - 90 per cent - of these families are headed by women, and two-thirds are women who are divorced or separated from their former partners.

This total of one million means that the numbers of lone parents have almost doubled since the early 1970s. This is part of some more general patterns of change in family structure which mean that the 'traditional' family of two married parents and their natural children is steadily declining. The rise in extra-marital births (now accounting for over a quarter of all births), the increase in cohabitation (half of all married couples live together before marriage), the rise in divorce (one in three marriages currently contracted will end in divorce), and the extent of re-marriage and cohabitation after divorce (in a third of couples marrying at least one of the couple has been married before) mean that 'families' are now very diverse. By the year 2000 only about half of all children will have spent all their lives in a conventional two-parent family with both their natural parents (Kiernan and Wicks, 1990 give further information on all these family trends).

The rising numbers of lone-parent families have given rise to increased policy concern. Very many of these families are dependent on Income Support for all or most of their incomes, and this reliance on Income Support has been increasing rapidly in recent years. Nearly three-quarters of all lone parents are in receipt of Income Support, up from about 37 per cent in 1971. This has consequences both for the families and for the state. For the families it means living for what can be quite lengthy periods on a relatively low level of income. About half the children in families on Income Support live in lone-parent families and in 1987 there were about 160,000 lone-parent families who had been on Income Support for at least five years (DSS, 1989). Many children are therefore growing up in families living on incomes that can provide only a restricted life-style in comparison with other families with children. Data from the annual Family Expenditure Survey show that the average gross incomes of lone-parent families in 1988 were only just over a third of the average for families with two parents and two children (DE, 1990).

Secondly the costs to the state of supporting lone-parent families on Income Support has obviously also been rising rapidly. Between 1981/82 and 1988/89 the real expenditure (ie taking inflation into account) on income-related benefits for lone parents rose from £1.4 billion to £3.2 billion. Mainly this is explained by the increasing numbers on benefit, but it was also the case that less money was being recouped from the 'liable relatives' (in general the fathers of these children). In 1988 £126 million was collected from liable relatives of lone parents and offset against benefit costs. This represents a fall of nine per cent in real terms since 1980/81 (Cm 1263, 1990).

However, support for lone parents is an area where policy touches on some very sensitive and difficult issues. Personal behaviour, human relationships at their most intimate, and the needs and interests of children all interact with public policy and interest. Policy-makers are faced with trying to reconcile a number of competing objectives. These include maintaining the living standards of children on relationship breakdown; enabling parents to support vulnerable children; and recognising the special needs and extra costs of families with only one parent - but at the same time not encouraging marital breakdown nor putting barriers in the way of re-marriage. In addition there are very difficult questions concerning the extent to which lone mothers should be expected (or compelled) to support themselves through employment; and concerning the extent to which the absent fathers should be expected (or compelled) to financially support their 'ex-families'.

In order to provide some up-to-date information to inform these policy debates the Department of Social Security commissioned us to carry out a national survey of lone-parent families in the UK. About 1400 families across the country were interviewed in the spring and early summer of 1989, and these survey data were supplemented by in-depth interviews with 30 current and ex-lone mothers and 15 absent fathers (ie the separated partners who were liable for the maintenance of the children in the lone-parent families). Here we provide a brief overview of some of the main results and their policy implications. We focus on the issue of financial support for lone parents, and so discuss in turn each of the three main sources of income potentially available to lone parents - maintenance, earnings and Income Support.

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"About half the children in families on Income Support live in lone-parent families and in 1987 there were about 160,000 lone-parent families who had been on Income Support for at least five years...

...The average gross incomes of lone-parent families in 1988 were only just over a third of the average for families with two parents and two children".

Maintenance

In the survey only 29 per cent of the lone parents were receiving maintenance payments. This varied with marital status, from three per cent of lone fathers currently receiving payments, to 13 per cent of unmarried mothers, 32 per cent of separated mothers and 40 per cent of divorced mothers. Of those in receipt payments were most often for children only, with only a quarter saying they had received payments for themselves. The mean weekly level of maintenance was £26.81 per week but payments varied considerably, the median was £20 per week and the modal payment was £10 per week. Furthermore about a quarter of the lone parents in receipt of maintenance did not get regular payments of the same amount each time, so they could not rely upon knowing when and how much they would be receiving - important considerations for people trying to manage on low incomes.

Of those not receiving money payments 20 per cent said they did not want or need them, 14 per cent did not know where their former partners were, 14 per cent said that their former partner was unemployed, and 11 per cent that their former partner had refused to make any payments.

"About a quarter of the lone parents in receipt of maintenance did not get regular payments of the same amount each time".

In their proposals in the White Paper *Children Come First* (Cm 1263, 1990) the Government outline plans to set up a new Child Support Agency that will be responsible for the assessment, collection and enforcement of maintenance. Maintenance levels will be set according to a formula and the exact amount an absent parent will be expected to pay will depend on his (or her) circumstances. For a man on average earnings of £250 per week, the formula would produce a figure of about £50 per week. The Government estimate that the 'norm' will be that men will be expected to pay about 25 to 27 per cent of their net incomes (ie income after tax and national insurance contributions) in child support. (See also Slipman's article in this issue, and *Briefing*).

If implemented and enforced these proposals mean that many absent parents not currently paying will be required to do so, and many of those currently paying will be required to pay substantially higher amounts. Since the publication of the White Paper there has been much debate about whether or not it is reasonable to expect these levels of child

support; as to what the impact might be on absent parents and their second families; and on the relationships between the lone parents, the absent parents and their children. There may well be widespread support for the principle that absent parents should contribute financially to the needs of their children. However our research suggests a number of issues that require further consideration.

First there is still very little information on the capacity of absent parents to pay, or pay more, maintenance. Volume Two of the White Paper reports the results of a survey of recent maintenance assessments in the courts and DSS local offices (Cm 1263, vol 2. ch 3). This found that absent parents were less likely than average to be employed, taking age into account; and that 'the proportion of men with low incomes was far greater for the surveyed population of absent parents than for the total national male population' (para 3.3.4). In our sample of lone parents 38 per cent did not know the circumstances of their former partners. Of those who did know only 39 per cent thought that their former partners could pay, or pay more, maintenance. And again of those who knew the circumstances of their former partner, half said he (or she) had a new partner and a quarter had dependent children in their new family. The proposed formula gives priority to the first partnership - no allowance is made for new partners or step-children. The incomes of second families are to some extent safeguarded by the 'protected income level' which means that the income of the absent parent cannot be reduced below the level of Income Support plus £5. But even so second families may be substantially worse off, in effect by the transfer of financial resources from one family to another.

Secondly, ongoing child support requires at least some ongoing contact between the parents. For many families this will not be a problem but for others it could cause significant difficulties. A fifth of lone mothers reported that violence was a factor in the breakdown of their relationships. About half had no contact with their former partner. A fifth of lone mothers not receiving maintenance said they did not want any. Under the new arrangements lone parents on benefit will be expected to pursue maintenance whether they want to or not. Although it is recognised in the White Paper that some lone parents will not want maintenance it is argued that it is 'not right that the caring parent should choose to transfer the absent parent's obligation to the state without good cause' (para 5.33). Thus most lone parents will be required to pursue maintenance regardless of the impact this might have on their relationships, and independently of issues of access.

Thirdly, the new arrangements will require lone parents to identify the absent parent of their child. Those who refuse to do so will have their benefit reduced. This might involve significant numbers: in our sample 24 per cent of those ever on Income Support had, or would, refuse to give the names and addresses of their former partner, of whom about a third said they could not give the details because they did not know his whereabouts. Of unmarried women 35 per cent said they would not or could not give these details.

Fourthly, those on Income Support will have no financial gain from any increase in child support because benefit will continue to be reduced pound for pound. This might maximise savings in public expenditure but the risk is that fewer lone parents and absent parents will be encouraged to comply as there is no incentive for them to do so - the proposed regime is all stick and no carrot for those on Income Support.

Finally, the formula includes an amount for the lone parent as well as for the children. This is justified as a payment for the parent 'as carer' of the child but it may well be perceived more as a payment for the women - something that our data suggest is likely to be very unpopular with both the lone and absent parents. Whatever each felt about the financial obligations of absent parents to their children their views on payments for ex-partners were usually negative. The lone parents mostly wanted to be themselves financially independent of their former partners and the absent parents were all strongly opposed to financially supporting their former partners. This part of the formula is likely to be unpopular.

"Those on Income Support will have no financial gain from any increase in child support because benefit will continue to be reduced pound for pound".

Even if the proposed changes are successfully introduced they are likely to make little difference to many lone parents. The Government estimates that up to 200,000 more lone parents will receive regular maintenance as a result of the changes and about 50,000 will no longer be on Income Support because of maintenance receipt (para 5.35). Even if these targets are met there will still be many lone parents not receiving maintenance, and many for whom maintenance is only a small amount. Thus earnings and Income Support will still remain important income sources for lone parents.

Employment

Just over two-fifths (42 per cent) of the lone parents in the survey were employed, 24 per cent full time (24 or more hours) and 17 per cent part time. One per cent were self-employed. In general the employed women worked in typical 'women's jobs' - in clerical, secretarial, retail, catering, and domestic work. For this they received rather low wages. On average the gross hourly earnings for full-time workers were 339p compared with 480p for full-time women workers in general, and about 65 per cent of the full-timers were low-paid, if low pay is defined as earning less than two-thirds of the median full-time male wage (in 1989 £4.16 per hour).

"The employed women worked in typical 'women's jobs' - in clerical, secretarial, retail, catering and domestic work. For this they received rather low wages".

The lone mothers working part time were in especially poor and low-paid jobs. A quarter were doing domestic cleaning and a third were in retail and catering. Average hourly gross earnings were only 267p (compared with 359p for part-time women workers in general) and as many as 93 per cent were low paid according to the definition used above.

Nevertheless, despite low pay, the women in employment had the highest overall incomes and it may be that employment offers the greatest opportunities for financial security and independence. However employment was not necessarily an option immediately available to all the non-employed lone parents. About 62 per cent of the lone mothers on Income Support said that currently they did not want to work. Most said they wanted, or felt they needed, to stay at home and care for their children - either because they had very young children or because they felt their children needed some additional support to 'compensate' or make up for the trauma of family breakdown. These women therefore wanted to delay any return to work, although 26 per cent said they would go back to work sooner if suitable child-care was available.

Indeed the lack of child-care was clearly a major barrier to employment. A quarter of the lone mothers on Income Support said they wanted to work immediately but nine in ten had no child-care and two-fifths said it would be very difficult to arrange any care. Both the lack of available child-care and costs were major constraints upon working.

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Other constraints on employment included low potential wages and the fact that the tax/benefit system offers little financial incentive to work. The rules allowing some earnings to be 'disregarded' on Income Support were little known or understood, neither were the details of in-work benefits. The take-up rate for Family Credit was about 56 per cent of those who seemed to be eligible. Similarly many of the women were unqualified (50 per cent had no educational qualifications) and had had little job training (63 per cent had no vocational qualifications). But although 68 per cent of those wanting employment expressed an interest in employment training, few knew how to go about applying or what the implications would be for their benefits.

Thus there were several barriers to employment, some of which are specific to lone parents, others are likely to be shared by other job seekers. In some respects lone parents share similar needs to other long-term unemployed benefit recipients and thus might benefit from similar programmes to improve skills and confidence. In other respects lone mothers share similar needs to married mothers in, or seeking, employment. For policy purposes the needs of lone mothers could usefully be considered alongside the needs of married women 'returners' to the labour market. Given that 90 per cent of the expected growth in labour over the next ten years is expected to come from women (NEDO, 1989), most of whom will be mothers, then these needs ought to be urgently coming onto the policy agenda.

For women making this decision to stay at home Income Support has an important positive role to play in providing stable financial support and a framework in which they can care for their children. This can, however, give rise to ambivalent feelings because living on benefit often meant financial, practical and personal problems for many of the lone parents. The financial problems included difficulties managing on a low income and avoiding debt. Half of the women on Income Support said they worried about money 'almost always'. The practical problems included things such as queueing with young children, and sorting out delayed and incorrect payments. The personal problems included feelings of 'stigma' and a dislike of being on benefit rather than earning money. Thus living on benefit was often a struggle and if we, as a society, are willing to accept that it is a legitimate choice for mothers - lone as well as married - not to have paid employment while they are caring for children then perhaps we need to be more willing to ensure that the mothers who make this choice are not unduly penalised, either in terms of current income and living standards or future employment prospects.

"The lack of child care was a major barrier to employment. A quarter of the lone mothers on Income Support said they wanted to work immediately but nine in ten had no child-care and two-fifths said it would be very difficult to arrange any care".

"Despite low pay, the women in employment had the highest overall incomes and it may be that employment offers the greatest opportunities for financial security and independence".

Income Support

Income Support was a very important source of income for the lone parents in the survey - 83 per cent had spent some time on Income Support since becoming a lone parent and 70 per cent were currently in receipt. As described above, many lone mothers currently on Income Support were not seeking immediate employment and the study showed clearly that perceptions of the needs of the children were the most important factor in determining decisions about employment. In this these lone mothers were reflecting the views of mothers in general, and indeed were reflecting our society's norms, which expect women to put motherhood before employment.

Over fifteen years ago the Finer Committee recommended a guaranteed maintenance allowance, intended to give lone parents a secure income which recognised their additional costs. The financial problems of lone parents will not be solved by maintenance alone, by benefit alone, or by earnings alone. What is needed is a flexible system, which allows combinations of the different sources of income. The proposed changes to make Family Credit payable instead of Income Support for those working 16 or more hours per week may make it possible for more lone parents to work part time and claim benefits as well as receiving maintenance; especially as the first £15 of maintenance will be disregarded in the Family Credit calculation. However this does not necessarily give lone parents a *secure* financial base - an income which they can rely upon. Looking for this security is still an important policy goal.

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Children Come First: An Assessment

by Sue Slipman

Sue Slipman is the Director of the National Council For One Parent Families.

In November 1990 the Government published the long awaited *Children Come First*. It is an unusual document in that it is a White Paper with Green edges. It will attempt to create a system to enforce the payment of child maintenance.

The law already holds that it is the responsibility of parents to maintain their children. The Finer Committee in 1974 concluded that levels of maintenance were too low to relieve adequately the problems of one parent families in general. Since Finer there has been continued growth in both the numbers dependent upon benefits and living in poverty. This growth has forced the question of an anti-poverty strategy onto the agenda, and placed child maintenance and support at the heart of the debate.

The Government's argument for an increased role for maintenance was based upon the moral view that it is wrong for fathers, whether married or unmarried, to fail in their responsibility to maintain their children. Reference was also made to reducing the public expenditure bill. The debate is made more difficult for liberal reformers because some moralists who adopt this approach balk at any state support for the family which they view as a private institution.

It is, of course, right in principle that parents fulfil their responsibilities to maintain their children. The National Council for One Parent Families (NCOPF) believes child maintenance has a vital role to play alongside other practical measures such as training for employment and childcare, to lift one parent families out of poverty. But it cannot do the job alone. Lone parents need some transportable income to get off benefits and the responsibility for providing it should be shared between the child's parents and the state. The state must help through providing safety net funding where maintenance fails, and subsidised childcare, as well as providing training opportunities for lone parents.

"Maintenance has a vital role to play alongside other practical measures such as training for employment and childcare".

For any child maintenance scheme system to work it will have to produce a reasonable and reliable sum, involving both unmarried and once married fathers, in a system in which the state takes the strain off mothers for its collection.

But even under an improved scheme there are many one parent families who will receive no maintenance, or very small payments, because the absent parent earns insufficient or cannot be traced.

We believe it is essential that a correct balance is achieved both between state and parental support for the one parent family and also between the needs of the one parent family and the needs of the absent parent and any second family.

The Government's current proposals are pushing the balance too far towards private support, attempting to recoup over ambitious sums for the public purse. Despite this there are aspects of the White Paper to welcome. We believe the Government must amend some of its proposals if we are to achieve a scheme that can work in practice, is seen to be fair, and actively helps to overcome the poverty of children in one parent families. Failure to do so could mean that the Child Support Agency becomes yet another trial in the lives of the lone parents it is ostensibly set up to help.

The National Council For One Parent Families has been the major campaigning force to win over Government to a commitment to enforce payments based on a formula, through an administrative system that takes the issue largely out of the Courts. We set a range of criteria by which the government's proposals would have to be measured.

First, a maintenance system should cover all one parent families who require its enforcement powers, not just families in receipt of state benefits.

The proposals in the White Paper *do* give access to the Child Support Agency to lone parents who are *not* on benefit.

Second, the level of maintenance payment should be adequate and realistic and fair. This means increasing amounts of maintenance awarded related to the ability of the absent parent to pay.

The Government have proposed a formula for calculating the Maintenance Bill which we broadly support. Problems arise from the proposed rate of deduction from absent parents' income towards meeting the costs of the Maintenance Bill. The present proposal for a deduction of 50% of Assessable Income is regressive. It takes a greater percentage of the income of the low paid as compared to the higher paid, and is, therefore, unfair to absent lone parents on low pay. Ironically the proposals for deduction

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of 15% once the Maintenance Bill has been met will not give children an adequate share of family income in more affluent families. Hence the current proposal is not sufficiently related to the ability to pay nor will it be seen to be fair.

One option for altering the formula so that it would be seen to be fairer would be to introduce a derived percentage based on the number of children in each family. Using derived percentages someone with one child could pay 30% of their assessable income up to the Maintenance Bill. Someone with two children would pay 40% and someone with three or more children would pay 50%.

A second option for amendment would be to increase the exempt income of the absent parent by introducing an allowance for work expenses at a rate outlined below. The impact of such a change would be greatest on low paid absent parents. In addition we believe it is right to include the Community Charge within the exempt income and to include part of any superannuation contributions. These two items should also be added to the exempt income given to lone parents who work.

It is also important to support the welfare of children by ensuring that they can have contact with the absent parent where courts have decided this is in the best interest of the child. Where the absent parent and the child live far apart and large travel costs would be incurred to ensure contact essential access costs could be included in the exempt income.

If there is to be a real incentive to work, the absent parents' protected income needs to include work related expenses as well as some reward for working. We would suggest an increase of a minimum of £10. In addition, to ensure comparable access to Family Credit for both first and second families maintenance payments should be taken into account when working out the second families' entitlement to Family Credit.

"The Government's current proposals are pushing the balance too far towards private support, attempting to recoup over ambitious sums for the public purse".

The proposal in the White Paper to deduct 5% from the benefit of an absent parent on Income Support appears to be particularly harsh and, at the same time, to offer little real benefit to the lone parent. We would agree that it is important that the principle of financial liability towards children should be recognised, but would propose that the deduction should be zero rated while the absent parent remains on Income Support.

To ensure that children fully benefit from the standard of living enjoyed by the absent parent where that parent is affluent, the Government should increase the proposed 15% percentage level of deduction from the remaining 50% of Assessable Income once the Maintenance Bill has been paid. This could increase to a level between 25%-40%.

Third, any system of maintenance should improve the disposable income available to the families who receive it, and help provide the 'transportable' income lone parents need to enter the labour market.

The Government is proposing a maintenance disregard on Family Credit, but (in addition) is proposing a punitive level of deduction from benefit for mothers on Income Support to persuade them to co-operate in naming fathers.

We cannot support the White Paper's proposal to withdraw benefit from mothers who do not co-operate with the Child Support Agency as this can only lower the cash available to the children. As Income Support is set at subsistence levels it is impossible that such a relatively large reduction of the family income as that currently proposed within the White Paper could be carried out without harming the children and could in some cases lead to children being taken into care.

Instead of punitive measures which will harm the child we believe that the Government should offer the incentive of a small maintenance disregard on Income Support. If there were such a financial incentive for lone mothers to co-operate with the Child Support Agency it seems likely that only those with pressing reasons would decline to do so.

We have argued that there is no reason why never married mothers in particular should co-operate with the state and name the father of the child unless they are likely to be better off as a result of doing so. It is also more likely that never married fathers' will pay if they can see a proportion of the money going direct to their children rather than the state deducting benefit pound for pound of maintenance received.

Tax is another issue to consider in offering incentives within the system. The effect of the proposals in the White Paper will be to equalise the amount of maintenance paid by married and unmarried fathers. The tax exemption given to married fathers should therefore be extended to unmarried fathers.

We welcome the emphasis in the White Paper on providing assistance to those lone parents who want to go out to work. The combination of improved maintenance payments plus the £15 disregard on Family Credit will

mean that lone parents in a limited number of situations could be better off going out to work. But further measures need to be taken in order to enable all those lone parents wishing to do so to return to work. By introducing mortgage interest payments into Family Credit, then that benefit would immediately be of use to many more lone parents.

In addition there needs to be recognition of the importance of work related expenses as a barrier to work. The disregard in the White Paper will not cover enough lone parents, nor in many cases be large enough to provide a complete answer to this problem. In order to assist lone parents who do not receive maintenance the disregard could be extended to cover both maintenance and earned income. Thus the sum disregarded could be either maintenance or earned income or a combination of the two. The effect of this proposal would be to create greater equity between those one parent families who receive maintenance and those who are unfortunate enough to be unable to benefit from this additional income.

The combination of the present level of earnings disregard and the proposed maintenance disregard on Housing Benefit and Community Charge Benefit would give a total disregard of £40. There would also be a need to extend the £40 combined disregard into Family Credit. This, combined with Child Benefit paid at a realistic rate, could provide the platform lone parents need to escape from Income Support.

One major problem of transferring from Income Support to Family Credit is the problems that arise when lone parents' circumstances change while Family Credit claims are only reviewed every six months. Under the maintenance proposals there will be a review of maintenance where circumstances change. It is very important that where this occurs Family Credit can also be altered to take into account the changed income from maintenance. If any review of maintenance also triggered off an automatic review of Family Credit this problem could be overcome.

A further major difficulty will face those lone parents who will get enough maintenance to float them off Income Support but not enough to compensate them for the loss of "passport benefits" such as free school meals, prescriptions, dental and optical care and Social Fund payments. Unless amendments are made to the White Paper this group of one parent families will have to live on an income below Income Support level as a result of the maintenance changes. In order to avoid these problems it is essential that those on low incomes are entitled to free school meals and all

the health benefits. The same group should also be entitled to apply for Community Care Grants on the same basis as those on Income Support. One approach of safeguarding this group which would cut down administration would be to introduce a small maintenance disregard to lone parents on Income Support set at a level that would avoid the loss of passported benefits.

Fourth, maintenance payments should become regular and reliable. This could only be achieved if the payment is an advance one, recouped by the state from the father.

The measures for ensuring enforcement put forward in the White Paper are too weak to be fully effective. In our view the only way to get the money from absent parents effectively is to use the resources of the Inland Revenue. The Inland Revenue already carry out similar activities when tracing people for tax purposes. The Child Support Agency, with its base within the DSS, will not have sufficient experience to perform this role adequately.

"It is essential that those on low incomes are entitled to free school meals and all the health benefits".

The simplest, most cost-effective and most reliable means of paying the maintenance to the caring parent would be to provide guaranteed maintenance payments. These payments, which could be limited to six months, would ensure that where regular maintenance payments could not be enforced the one parent family could move back to benefit without an interruption in income. If this option were adopted no change would need to be made to the current six monthly review of Family Credit. It would also give a powerful incentive to the Child Support Agency to enforce payment by absent parents. This system of guaranteed maintenance payments is now under active consideration in Australia on the basis of their successful experience of enforcing child maintenance;

Fifth, vulnerable families will need protection and the state should exercise discretion in chasing absent parents.

We welcome the recognition in the White Paper that in cases of rape and incest the best interests of the child would not be met through enforced payment of maintenance. There are in addition other circumstances in which the pursuit of maintenance could cause harm to the child, such as domestic violence and child abuse.

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