

UNFINISHED BUSINESS

Next steps for welfare reform in post-Covid Britain

October 2020



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Next steps for welfare reform in post-Covid Britain
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About the Centre for Social Justice

Established in 2004, the Centre for Social Justice is an independent think-tank that studies the root causes of Britain's social problems and addresses them by recommending practical, workable policy interventions. The CSJ's vision is to give people in the UK who are experiencing the worst multiple disadvantages and injustice every possible opportunity to reach their full potential.

The majority of the CSJ's work is organised around five 'pathways to poverty', first identified in our ground-breaking 2007 report *Breakthrough Britain*. These are: educational failure; family breakdown; economic dependency and worklessness; addiction to drugs and alcohol; and severe personal debt.

Since its inception, the CSJ has changed the landscape of our political discourse by putting social justice at the heart of British politics. This has led to a transformation in government thinking and policy. For instance, in March 2013, the CSJ report *It Happens Here* shone a light on the horrific reality of human trafficking and modern slavery in the UK. As a direct result of this report, the Government passed the Modern Slavery Act 2015, one of the first pieces of legislation in the world to address slavery and trafficking in the 21st century.

Our research is informed by experts including prominent academics, practitioners and policy-makers. We also draw upon our CSJ Alliance, a unique group of charities, social enterprises and other grass-roots organisations that have a proven track-record of reversing social breakdown across the UK.

The social challenges facing Britain remain serious. In 2020 and beyond, we will continue to advance the cause of social justice so that more people can continue to fulfil their potential.



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Executive summary

The Covid-19 crisis has had a devastating impact on the UK economy. By August 2020, hundreds of thousands of people had lost their jobs; millions of people had made new claims for Universal Credit. The jobs miracle of the last decade has come to an end. While Universal Credit has performed well during a huge increase in demand for financial support, the next task that faces the Department for Work and Pensions must be how to support people back in to work.

Unemployment can be disastrous for any individual. Unemployment is not just the loss of an income, but the loss of a sense of purpose, identity, and dignity. The Centre for Social Justice's research into unemployment in Britain has found many people are held back by complex and hard to tackle barriers to employment. Troubles at home, with crime, substance abuse, trauma, and poor health may often hold people back from being able to claim welfare support and get back into the labour market.

Our current employment support system is a confusing patchwork of different programmes that really fails to understand this phenomenon. The Work Programme achieve strong results, however, this has been replaced by an underfunded Work and Health Programme, as well as a collection of different programmes including IPES, IPS, and Troubled Families Programme. Evidence from abroad and in the UK suggests that personalised support programmes are best at helping the most vulnerable in society get back in to work.

This report calls for the introduction of Universal Support.

Universal Support is a more holistic wrap-around support service, run by local authorities, and aims to help welfare claimants tackle barriers to personal progress. Universal Support was first conceived by Lord Freud back in the Coalition Government. It was trialled in 2014 and results showed promise. The programme would aim to support people's economic, physical, mental and social wellbeing. In doing so, it would massively reduce the vast cost of social breakdown that is often borne by other departments. This report estimates it has a Return on Investment of 1.5–2.

Universal Credit has been a success for Britain. A more flexible and dynamic welfare system that better incentivises to get people in to work helped drive record performance in the labour market for the last 10 years. UC was a critical factor in helping support people who lost their income as a result of the Covid-19 pandemic.

However, welfare reform remains unfinished business.

The Government's first priority in dealing with the fallout from Covid-19 and helping get Britain back on track must be completing the welfare reform revolution that started in 2012. By implementing Universal Support, this Government will ensure Britain remains one of the strongest labour markets in the western world.

Recommendations

1. The Government should fund a Universal Support 2.0 programme. Funding should equal the total funding made available for the Work and Health Programme and IPES – £460 million – guaranteed for 5 years up to 2025/26 (starting in 2020/2021).
2. Universal Support 2.0 should be managed between the Department for Work and Pensions and the Ministry for Housing, Communities and Local Government (with MHCLG appointing a Senior Responsible Owner to report to the MHCLG Board). Contracting of delivery partners should be devolved to Local Authorities. Local Authorities and local delivery partners are responsible for model design and service delivery. However, delivery partners should adhere to Departmental guidance on model delivery, specifically the four key elements of Universal Support 2.0:
 - Multiple identification and referral routes – participants should be identified and referred from multiple service points.
 - A one-to-one key worker who assesses needs and sign-posts participants to services.
 - Key workers should be independent of Universal Credit and DWP, contracted by a Local Authority.
 - A competitive patchwork of local services able to serve the participants needs.
3. Universal Support delivery partners should be charged with helping some of the most vulnerable and disadvantaged people in society, and aim to help them tackle complex and multiple challenges, including; Mental and emotional support, substance abuse support, housing and relationship support, employability and skills (including digital skills) support, debt and financial budgeting support.
4. Universal Support delivery partners should be contracted by Local Authorities, and performance should be measured against 14 metrics (as outlined in Chapter 4) divided by four themes – economic wellbeing, physical wellbeing, mental wellbeing, and social wellbeing.

chapter one

History of Universal Credit

Universal Credit will ensure that you will be better off in work than out of it, and it will mean taxpayers get value for money. Just imagine, a system that places work at the heart of the benefit system ... This is our contract with the British people. To bring an end to the something for nothing culture.

Secretary of State for Work and Pensions Iain Duncan Smith MP, October 2011

- Universal Credit is the most significant reform to Britain's welfare state in over 50 years.
- It received cross-party support on the basis that it improved work incentives for claimants.
- Despite delays to the roll-out, as of January 2020, UC was being claimed by 2.8 million people. This rapidly increased due to the Covid-19 crisis. As of July 2020, there were 5.6 million people on UC.
- Early analysis showed positive effects of UC on employability of claimants.

Why Universal Credit?

Universal Credit (UC) was introduced via the Welfare Reform Act (2012) to replace six (out of a total of 22) working-age benefit entitlements – Child Tax Credit, Housing Benefit, Income Support, JSA, ESA and Working Tax Credit.

The premise of UC, first conceived by the Centre for Social Justice in its 2009 report *Dynamic Benefits*, was to reform the welfare system by simplifying the myriad of different entitlements that any one individual could claim, reduce the disincentives to work, and hopefully reduce the financial cost of the welfare state and economic cost of social breakdown in the long term.

At the time, this was something that all political parties welcomed. After all the cost of the welfare state had increased by approximately 50 per cent in the preceding decade while youth unemployment remained stubbornly high, as did long term worklessness and the NEET (16–18-year olds not in education or employment) population had grown.¹

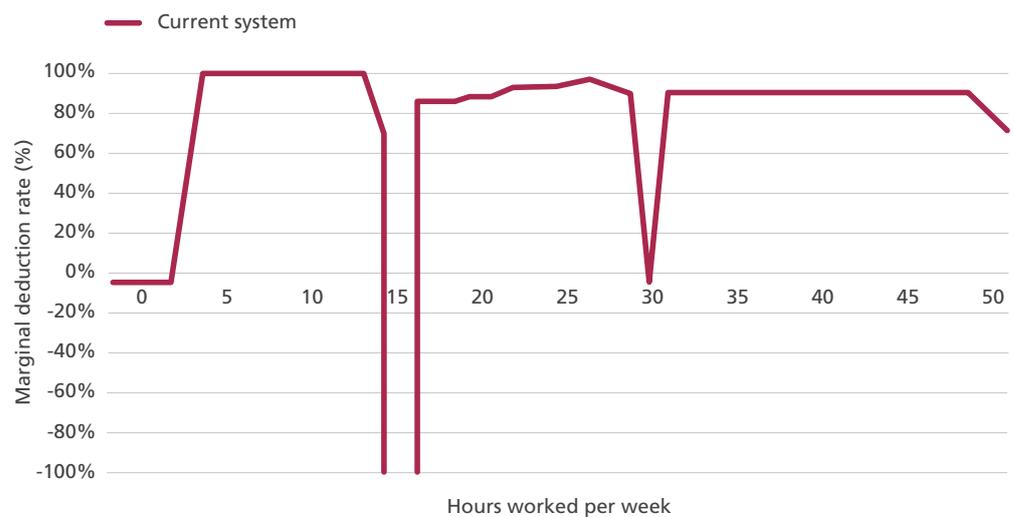
¹ Centre for Social Justice, *Dynamic Benefits: Towards welfare that works* (September 2009)

These dire economic and social indicators were partly down to a benefit system that had become very complicated, both to administer and claim from, and produced huge disincentives to work. According to the Universal Credit White Paper, there were more than 30 different benefit entitlements that the Government offered. These would overlap with each other despite being administered through different Government departments and public agencies. For instance, Income Support and JSA were delivered through Jobcentre Plus, Housing Benefit through Local Authorities, Working Tax Credit and Child Benefit through HM Revenue and Customs while the Carers Allowance would be delivered through the Pensions, Disability and Carers Service. Some were based on individual characteristics others, based on the characteristics of the household.

By combining six in- and out-of-work benefits in to one universal payment, marginal tax rates could be consistently lower, confusion of applying for multiple benefits would disappear and people would keep more of their money as they increased their hours.

This confusing system would then produce disincentives for claimants to get in to work or increase their hours in some circumstances. As the Department for Work and Pensions said in the 2010 White Paper, *“The transition between out-of-work benefits and work can involve uncertainty in leaving the familiar security of the benefits system for the uncertainty of work, which is then further compounded by uncertainty over what support is available in work and whether it will be processed in time to replace out-of-work entitlements. This can cause severe financial hardship and emotional stress”*.² Once a claimant does enter work, they face varying taper rates at different earning levels meaning that someone who worked minimum wage and went from working 16 hours a week to 17 hours a week could expect a marginal tax rate above 80 per cent. As a result, the old system incentivised *“many people to work no more or less than the minimum hours required to qualify for Working Tax Credit”*.³

Figure 1: Marginal Tax Rates under the legacy benefit system (DWP)



2 Gov.uk, Universal Credit: Welfare That Works (November 2010)
 3 Gov.uk, Universal Credit: Welfare That Works (November 2010)

Universal Credit aimed to correct this hugely dysfunctional system. By combining six in – and out-of-work benefits in to one universal payment, marginal tax rates could be consistently lower, confusion of applying for multiple benefits would disappear and people would keep more of their money as they increased their hours.

Then Shadow Secretary for Work and Pensions Douglas Alexander claimed to be ‘broadly supportive of plans for a universal credit’⁴ and said in November 2010 “We accept the underlying principle of simplifying the benefits system and providing real incentives to work”.⁵

Prime Minister David Cameron said “The benefit system has created a benefit culture. It doesn’t just allow people to act irresponsibly, but often actively encourages them to do so” while Universal Credit represented the “most ambitious, fundamental and radical changes to the welfare system since it began... [believing passionately] that the welfare system should be there to support the needy and most vulnerable in our society and provide security and dignity for those in old age”.⁶ According to Nicholas Timmins, both Coalition Deputy Prime Minister Nick Clegg and Chief Secretary to the Treasury Danny Alexander from the Liberal Democrats were very supportive of UC when they joined Government in 2010.⁷

Then Minister for Employment Chris Grayling said to the House of Commons, “Universal Credit will make work pay. It will enable workers to retain more of their earnings when they enter work, providing stronger financial incentives to take job opportunities than under the current system... The integration of in and out of work support through universal credit will also greatly reduce the risks people perceive around the continuity of financial support as they move into and leave work”.⁸

Evolution of Universal Credit

Early aspirations were for UC to be rolled out to 1 million claimants by April 2014 and fully rolled out to the estimated 12 million claimants by 2017. However, problems with the existing IT infrastructure meant there were successive delays. Between 2013 and 2014, an entirely new IT system was put in place. Within a year of the proposed completion date of 2017, Damian Green extended the due date for UC to 2022.

The first claims for UC were made in April 2013. Only new single claimants without dependents in a selection of postcodes across the North West were allowed to claim. This was known as UC Live Service. After the investment in a new ‘digital by default’ system in 2014, the DWP rolled out UC Full Service in 2016. By 2018 Live Service had been closed and in December 2018 UC Full Service was available to all new eligible claimants of UC across the UK.

The DWP conducted some early analysis of UC Live Service claimants, measuring the impact of the new benefit on the probability of the claimant finding work. Analysis published in 2015 showed that the early UC claimants were “8 percentage points more

4 Guardian.co.uk, Interview: Douglas Alexander outlines Labour’s stance on welfare (5 November 2010)

5 BBC, Benefits system overhaul ‘to make work pay’ (11 November 2010)

6 David Cameron, Speech at Toynbee Hall (17 February 2011)

7 Timmins, N. Universal Credit: From disaster to recovery (Institute for Government, September 2016)

8 Hansard, Questions to the Secretary of State for Work and Pensions (1 December 2010)

likely to have been in work within the first 270 days after making their claim. Moreover, at every 30-day interval after making their claim, from 30 days to 270 days, Universal Credit claimants were between 3 and 6 percentage points more likely to be in work than the matched Jobseeker's Allowance comparison group".⁹

Welfare Reform was thrust under the national spotlight in July 2015 when Chancellor of the Exchequer George Osborne announced £12 billion in cuts to the welfare budget which was reiterated in the November spending review of that year. These cuts were in the form of a freeze to working-age benefit increases, LHA rates, and a lower benefit cap. By March 2016, the Treasury was planning a further reduction in generosity of benefits for claimants of Personal Independence Payments (not part of UC), which precipitated the resignation of DWP Secretary of State Iain Duncan Smith.

Analysis published in 2015 showed that the early UC claimants were 8 percentage points more likely to have been in work within the first 270 days after making their claim.

Since 2016 there have been 6 Secretaries of State for Work and Pensions – Stephen Crabb, Damian Green, David Gauke, Esther McVey, Amber Rudd and the current holder Therese Coffey – most of whom have argued and lobbied for a reinvestment in UC to make up for the 2015 cuts. David Gauke secured £1.5 billion in extra funding for UC in 2017, as well as a cut in the 5 week wait (to 4 weeks), extending the repayment of advances from 6 months to 12, extending Housing Benefit entitlement to new UC claimants, and increasing access to Alternative Payment Arrangements (direct payments of housing support to landlords). Amber Rudd announced in January 2019 an adjustment to managed migration, trials of flexible payments, and increased availability of the Flexible Support Fund for upfront childcare costs (something that the CSJ recommended to Government).

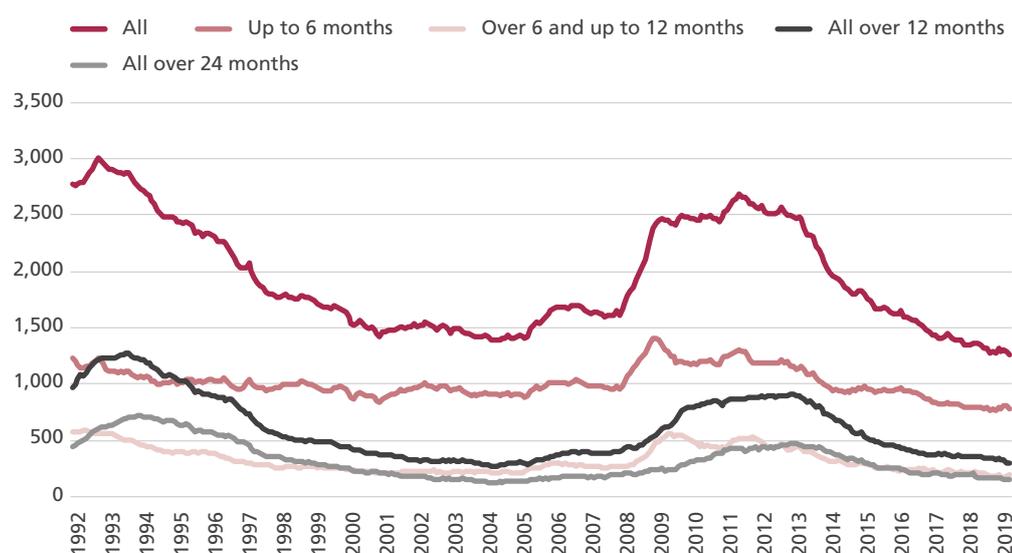
The 2019 Conservative Manifesto made a commitment to *"continue the roll-out of Universal Credit"* and continued to say *"we will do more to make sure that Universal Credit works for the most vulnerable. We will also end the benefit freeze, while making sure it pays to work more hours"*.¹⁰

As of January 2020 there were 2.8 million claimants of UC. The UK labour market was reaching new highs. The employment rate reached 76.5 per cent in March 2020. Unemployment and labour inactivity have fallen, as a large number of people who were previously outside of the labour market have begun looking for work and getting work. Long term unemployment (defined as being unemployed for over 12 months) has fallen by half, from more than 800,000 individuals in 2010 to fewer than 400,000 today.

⁹ Department for Work and Pensions, *Estimating the Early Labour Market Impacts of Universal Credit* (December 2015)

¹⁰ Conservative Party Manifesto 2019

Figure 2: Unemployment by Tenure 1992 to 2019 (ONS)



Analysis conducted by the Resolution Foundation of the Labour Force Survey has found that:

- There has been a significant increase in female participation in the labour market, *“particularly those in couples”*.¹¹ This can be explained by the relative squeezing of household budgets by the increased cost of living and wage stagnation. The increase in employment for women over-60 has driven one-third of total growth in female employment between the ages of 16 and 64. The longer-term trend (across western economies) is also that many women are leaving parenthood to later in life, and pursuing careers both before and after having children.
- Marginalised groups have done comparatively well in the labour market over the last decade, *“The increase in employment has been particularly marked among groups for whom employment has traditionally been low, especially single parents, those with lower-level qualifications and people with disabilities”*.¹² Between 2008 and 2018, the employment rate for workers with the lowest qualifications increased by 5.6 percentage points, for BAME workers by 5.6 percentage points, or single parents by 11.9 percentage points, and people with disabilities by 6.4 percentage points.¹³
- The two groups who contributed the most in nominal terms to the boost in employment between 2008 and 2018 were ‘Non-disabled, non-single parent, white’ workers (+575,000 in employment) and ‘non-disabled, non-single parent, BAME’ workers (+590,000 in employment).

11 Bell, T. and Gardiner, L., Feel poor, work more: Explaining the UK’s record employment (Resolution Foundation, 12 November 2019)

12 Bell, T. and Gardiner, L., Feel poor, work more: Explaining the UK’s record employment (Resolution Foundation, 12 November 2019)

13 Clarke, S. and Cominetti, N., Setting the record straight: How record employment has changed the UK (Resolution Foundation, 14 January 2019)

Universal Credit and Covid-19

In March 2020, the UK experienced a public health crisis linked to the outbreak of the Coronavirus (Covid-19). At the time of writing there had been over 290,000 cases and 44,830 confirmed deaths. The Government instructed a nation-wide quarantine and for all non-essential retail outlets, restaurants, hotels, and bars to close. Public sporting and musical events were also postponed or cancelled. This triggered a significant economic slowdown. The British and global economies began to see the impact of the public health disaster as early as February. Between 19th February and 19th March, the FTSE 100 Index lost 29 per cent of its value, while the main US index the Dow Jones Industrial Average had lost 35 per cent. Pound Sterling lost more than 10 per cent against both the US Dollar and Euro. Visa's UK consumer spending index showed a – 12.1 per cent fall in March 2020.¹⁴ The UK Purchasing Managers Index (PMI – a measure of business activity and confidence) showed a decline from 53 in February (growth territory) to 37.1 in March (a contraction). This was lower than the decline in 2008. By the end of March 2020, it was clear that large parts of the retail, food, hospitality, tourism, rail and airline industries were in severe distress as a result of the lock-down and social distancing. ONS data showed the economy contracted by 2.2 per cent in the first quarter of 2020. Between 16 March and 14 April, 1.4 million new claims for UC were made. The Chancellor announced increases in the generosity of the standard allowance and brought forward increased to the LHA rates. All JCP appointments were suspended and all sanctions were temporarily paused.

Secretary of State for Work and Pensions Thérèse Coffey said *"As this country ramps up its efforts to support people through coronavirus, we will do whatever it takes to protect claimants and our staff. We are automatically extending all awards and reassessments for health and disability benefits to provide that reassurance to those in receipt of them"*.¹⁵

By early July, Minister for Welfare Reform Will Quince had told the House of Commons that 2.3 million new UC claims had been processed since March. The total number of people on UC by June 1st was estimated at 4.9 million.¹⁶ UK GDP fell by 19.1 per cent in the three months to May.¹⁷

As of July 2020, there were as estimated 5.6 million people in UC, around 42 per cent were in the 'Searching for Work' conditionality group. 2.4 million new starts had been made on UC between 13 March and 14 May 2020. Payment timeliness has improved – with 98 per cent of all claims being received in full and on time.¹⁸

14 Visa's UK Consumer Spending Index - March 2020 (15 April 2020)

15 Manchester Evening News, 'No sanctions' for benefits claimants for three months as government works to tackle spread of coronavirus (31 March 2020)

16 www.theyworkforyou.com/wrans/?id=2020-06-15.59471.h&s=speaker%3A25403#g59471.r0

17 ONS, GDP monthly estimate, UK: May 2020

18 DWP, Universal Credit Statistics: 29 April 2013 to 9 July 2020 [Accessed via: www.gov.uk/government/publications/universal-credit-statistics-29-april-2013-to-9-july-2020/universal-credit-statistics-29-april-2013-to-9-july-2020]

chapter two

What next for welfare reform?

To all those at home right now, anxious about the days ahead, I say this: you will not face this alone. But getting through this will require a collective national effort, with a role for everyone to play.

Chancellor of the Exchequer Rishi Sunak, March 2020

- Britain faces the very real problem of mass, long-term unemployment. At the beginning of 2020, there were 3.1 million people in Britain who were not working but wanted a job. This figure could grow by more than 2 million due to the Covid-19 crisis.
- Benefit claimants are increasingly vulnerable, with more complex challenges, meaning they need more support when navigating our welfare system.
- Inadequate support for some claimants has resulted in some falling in to a 'state of crisis' – increased financial insecurity, food bank usage, evictions, and homelessness as well as worsening mental health.

As of January 2020, there were still 3.1 million people who are not working in Britain but want a job

The introduction of Universal Credit and investment in support services such as the Work Programme coincided with historically high employment rates. As we noted earlier there were nearly 4 million more people in work by 2020 compared to 2010. Many of those who have found work are from groups that struggle the most to get a footing in the labour market – people with a mental or physical health condition, and the long term unemployed.

However, at the beginning of 2020, there remained 1.3 million unemployed people in Britain, of which more than 150,000 have been unemployed for over 2 years, and 8.4 million people who are currently economically inactive. Labour Force Survey data shows that 1 in 5 people (approximately 1.8 million people) who are currently economically

inactive do in fact want a job. 25 per cent of people staying at home to look after a family member want a job, as do 59 per cent of those who are temporarily sick and 28 per cent of those who are considered long term sick.¹⁹

There were also 3.4 million people in Britain who have never had a job. This is just marginally lower than what it was in 2010 (but 70 per cent higher than in the late 90s). 1.4 million of them are above student age. Reasons for never working (other than studying) include looking after family at home (as carers of adults or dependents), illness, retirement, discouraged workers, or young people who are not yet looking for work.

The Resolution Foundations' Laura Gardner points to disproportionate increase in long term illness afflicting younger workers as one of the main drivers (as well as issues around working while studying).²⁰ ONS Labour Force data shows the number of economically inactive people in the UK has declined by 1.05 million (there are fewer discouraged workers, and people staying at home to look after family). However, there are 76,853 more women in Britain with a long term illness as a reason for their economic inactivity, bringing the total to 1.13 million (as well as 6,323 more men staying at home to look after family).²¹

Gardner also points out that the proportion of 25–39 year old mothers who have never worked has increased from 3.3 per cent to 6.5 per cent suggesting many mothers are having children before working and choosing to stay at home to look after their children as opposed to returning to work (this corroborates data showing the disappointing decline in two-parent families – *“The incidence of living alone, divorce and fatherless families have grown far more common. The number of couples getting married has fallen over the past 50 years. The number of cohabiting couples has risen by more than half over the past dozen years. The number of families where both parents work has doubled in the last half century, as has the number of lone parents working”*).²²

Ultimately there remains a significant cohort of people in the UK who don't work despite wanting to work, or indeed never having worked. They need extra support to access the labour market, even during times of job and economic growth.

The aftermath of Coronavirus – 2 million more unemployed

At time of writing the surge in unemployment expected as a result of the Covid-19 crisis had largely been muted by the Government's introduction of the furlough scheme. The most recent ONS quarterly unemployment figures showed no long-term change in the unemployment figure for April 2020. By the summer of 2020 more than 9 million people (approximately 1/3rd of the UK workforce) had been furloughed. However, forecasts suggest that once the furlough scheme ends in October, unemployment could increase exponentially.

19 ONS, INAC01 SA: Economic inactivity by reason (seasonally adjusted) (17 March 2020)

20 Gardner, L., Never ever: Exploring the increase in people who've never had a paid job (Resolution Foundation, 4 January 2020)

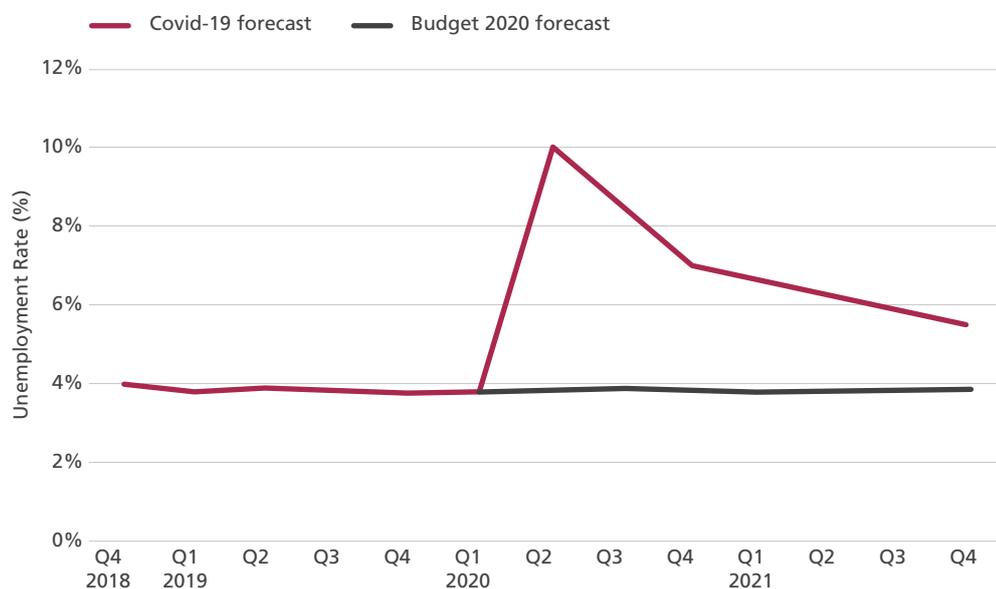
21 ONS, INAC01 SA: Economic inactivity by reason (seasonally adjusted) (17 March 2020)

22 Davies, E., A focus on economic growth is too narrow (Standpoint magazine, 25 March 2020)

The OBR released its forecast for GDP growth and unemployment on 14th April. It stated its expectation that *“Real GDP falls 35 per cent in the second quarter, but bounces back quickly. Unemployment rises by more than 2 million to 10 per cent in the second quarter, but then declines more slowly than GDP recovers”*.²³

Capital Economics published research on March 24th stating *“The enormous fall in GDP that we have pencilled in for Q2 as a result of the economic effects of the coronavirus implies that the unemployment rate will spike over the next few months and that incomes will be hit hard. However, the short duration of the recession and the massive government support package means that the unemployment rate may rise from 4 per cent to 6 per cent”*.²⁴ This would be equivalent to approximately 700,000 more people registered as unemployed and looking for work.

Figure 3: OBR unemployment forecast



By July 2020, an increasing number of vulnerable sectors (manufacturing, retail, hospitality) were announcing job losses. G4S announced 4000 job losses, high street snack chain Upper Crust announced 5,000 job cuts, John Lewis, Boots, Rolls-Royce, Burger King and Pret a Manger all announced their intention to cut head count. An Evening Standard tracker showed brand name companies had cut nearly 27,000 jobs in the space of two weeks.²⁵

By August 2020, the claimant count had reached 2.7 million, an increase of 116.8 per cent since March 2020. While the unemployment rate had not moved much, there were 238,000 fewer self-employed people in the June 2020 flash estimate of the labour market and short-term unemployment (unemployed for up to 6 months) had increased by 150,000 to 943,000. A conservative estimate is that Covid-19 could lead to 2 million more people losing their job.

²³ OBR, Coronavirus reference scenario (14 April 2020)

²⁴ Pugh, T. Unemployment rate to rise by less than in the GFC (Capital Economics, 24 March 2020) [Accessed via: www.capitaleconomics.com/publications/uk-economics/uk-economics-update/unemployment-rate-to-rise-by-less-than-in-the-gfc/]

²⁵ www.standard.co.uk/business/uk-job-losses-cuts-coronavirus-a4488316.html

Many benefit claimants face multiple and complex challenges that increase their vulnerability when applying for Universal Credit

Survey evidence and interviews with claimants show individuals passing through the welfare system are more likely to exhibit multiple and complex challenges. That is to say they often face social, economic, mental, and physical hurdles that inhibit their ability to access public services normally. These challenges can be developed from childhood or in adulthood. They are linked to poor outcomes in education and the labour market. People with multiple and complex challenges are overwhelmingly likely to depend on state support. Complex challenges can include any of the following:

- Severe financial insecurity
- Mental health problems
- Childhood trauma
- Social isolation
- An addiction
- Substance abuse
- Transient/unstable housing (homelessness)
- A physical disability
- A learning disability
- High levels of personal debt
- Caring responsibilities
- English as a foreign language
- Relationship problems²⁶

People with complex barriers are overwhelmingly likely to depend on state support. [Barriers can] frustrate someone's ability to navigate public services and get in the way of someone simply applying for, getting and holding down a job.

Case study: Jessica

Jessica is Polish and has recently arrived in Britain and is trying to claim support from the state. She doesn't speak English, her partner has left her (not long after they arrived in Bradford), but a friend acts as a translator. Jessica's most pressing issue is that she has a 6-year-old daughter with severe cerebral palsy. It is clear she has come to the UK to give her daughter the best chance to access good quality healthcare. But where to begin, whether it is her language barrier, unknown immigration status, lack of work, disabled daughter, Jessica has multiple challenges preventing her from getting the support she and more importantly her daughter needs.

Many people who pass through UC exhibit multiple and complex challenges like those listed above. Think-tank Bright Blue published qualitative survey data in 2019 showing that *"Most claimants are coping with and adapting to UC. There are positive experiences, especially with work coaches... Nevertheless, there is a significant minority of claimants that*

²⁶ Note: This could expand a number of situations from living in a dysfunctional family situation, to being in an unhappy relationship or being a victim of domestic violence.

are struggling, either initially or long-term. There were claimants with socio-demographic characteristics that especially seemed to struggle with key design elements: claimants that were older, long-term unemployed, and with mental or physical health problems".²⁷

The UC Claimant Survey found the following; a third of UC claimants have never worked: 10 per cent have been out of work for more than a year; 69 per cent are renting either in the private sector (31 per cent) or from the council/local authority or a Housing Association (38 per cent); approximately 4 in 10 claimants struggle with paying bills while *"just over a third were experiencing housing payment arrears"*; 44 per cent of UC claimants have children; 5 per cent of *"claimants said that they were a full-time or part-time unpaid carer for a family member or friend, excluding dependent children under the age of 16"*; and finally 41 per cent of UC claimants reported that they had a long term health condition.²⁸

UC claimants are more likely to be unemployed, living in the private rental sector, a single parent with a dependent, have a disability, suffer from social isolation, have a criminal record, have low levels of educational attainment, face a drug addiction and struggle with problem debt.

These challenges can manifest into dysfunctional behaviour that compounds disadvantage over time. People may be less likely to open their post, more likely to miss an appointment, and find it harder to make a job application. The DWP survey of UC claimants also found *"[only just] over half (54 per cent) of all claimants were able to register their claim online unassisted, with a further fifth (21 per cent) completing it online but with help. Three in ten (30 per cent) of those who registered a claim online found this difficult"*.²⁹

Mental health conditions are major barriers for people to access support services. Mental health charity Mind published public statistics from DWP claimant surveys showing that, of people with long-term health conditions, 53 per cent said they needed more support setting up their claim and 38 per cent said they needed more ongoing support.³⁰

The CSJ has heard from a number of organizations and claimants that the steps to register for UC can pose problems leading to what we call a 'Dysfunctional Claim'. A Dysfunctional Claim can include any of the following actions and results; failure to complete a claim, an inaccurate claim (that could result in the wrong entitlement), an inaccurate update, late payments, and/or sanctions. For a claimant, a Dysfunctional Claim can lead to serious financial insecurity, emotional stress and other negative repercussions. Factors impacting Dysfunctional Claims include:

27 Lampier, S. Sarygulov, A. and Shorthouse, R. Helping Hand? Improving Universal Credit (Bright Blue, March 2019)

28 Department for Work and Pensions, Universal Credit Full Service Survey (June 2018)

29 Department for Work and Pensions, Research Summary: Universal Credit Full-Service Claimant Survey (2018)

30 MIND Charity [accessed via: www.mind.org.uk/about-us/our-policy-work/benefits/universal-credit/]

Digital system and claim administration

To claim UC an individual will need access to a computer and the internet (this is not a necessity, claimants can start a claim by phone or in person but only when they demonstrate an inability to work with technology), an email address, a bank account, some form of home address, and proof of identity (in three forms). The reality is that for many of the most vulnerable claimants, this is just asking too much from them in terms of their digital and mental capability.

The UC claimant survey found that “43 per cent of claimants said they needed more support registering their claim for UC. 31 per cent said they need more ongoing support with using their UC digital account”.³¹

Citizens Advice helped over 150,000 people with issues related to their UC claim in the years before 2018. The most common problem they faced was helping claimants to make their claim successfully, “Our evidence showed us that while the process of claiming Universal Credit was working for the majority of people, there was a significant minority who were struggling”.³²

During a CSJ evidence session, social workers in Oldham referred to the digital by default system as ‘discriminatory’. When sitting in on work coach appointments, CSJ staff have encountered low levels of organization among claimants, failure to keep up with paper work, high stress levels that have reduced their ability to remember information, and confusing housing situations that complicate the ability to verify addresses and identifications.

This is most evident when it comes to disabled claimants of UC. The Work and Pensions Select Committee stated in their 2018 report “Some disabled people – for example, people with severe learning disabilities – will never be able to use all online systems independently”.³³

JCP staff and Work Coach appointments

JCP staff have generally been praised by most people interviewed for this report. The job they do is recognised to be difficult and the quality of service in JCPs has improved hugely since roll out began. However, on occasion, work coaches and case managers were accused of ‘not believing in UC claimants. On other occasions, CSJ staff have found high levels of variation in the quality of JCP systems. In high performing JCPs, staff are well trained and well led. This is not always the case, and some JCPs are less functional in dealing with vulnerable claimants.

Work Coach appointments are a constant source of agitation. In the year to July 2019, 91 per cent of UC sanctions decisions “occurred due to failure to attend or participate in a Work-Focused Interview”.³⁴

In discussions with welfare advisors at Tandridge Council, CSJ staff found that many of the most vulnerable claimants struggled to keep appointments with their Work

31 Department for Work and Pensions, Research Summary: Universal Credit Full-Service Claimant Survey (2018)

32 Note: This led to the creation of Help to Claim, which we discuss later.

33 House of Commons Work and Pensions Committee, Universal Credit: support for disabled people (12 December 2018)

34 Department for Work and Pensions, Benefit Sanctions Statistics (November 2019)

Coaches due to travel problems. In rural areas, claimants would be expected to use multiple modes of public transport, at times this would be expensive. On many occasions, late busses and trains would mean claimants would miss connections, and as a result miss appointment. Again, this is a case of asking too much from vulnerable claimants.

Dysfunctional Claims (failed claims, late and missed payments) as well as sanctions, and low levels of generosity are all contributing to what we have come to know as the 'Risk of Crisis'. Many organizations we spoke to emphasized that UC claimants they had interacted with were often just about managing ('keeping their head above water' was a recurrent phrase) but were plunged in to crisis due to a negative life experience (such as a bereavement, unemployment or a relationship breakdown) and bad experience with UC. A 'state of crisis' is best understood as a period of extreme financial insecurity, a risk of homelessness, the inability to pay for basic necessities including food, turning to crime, or engaging in other dysfunctional behaviours like taking drugs or turning to prostitution.

Disability and UC

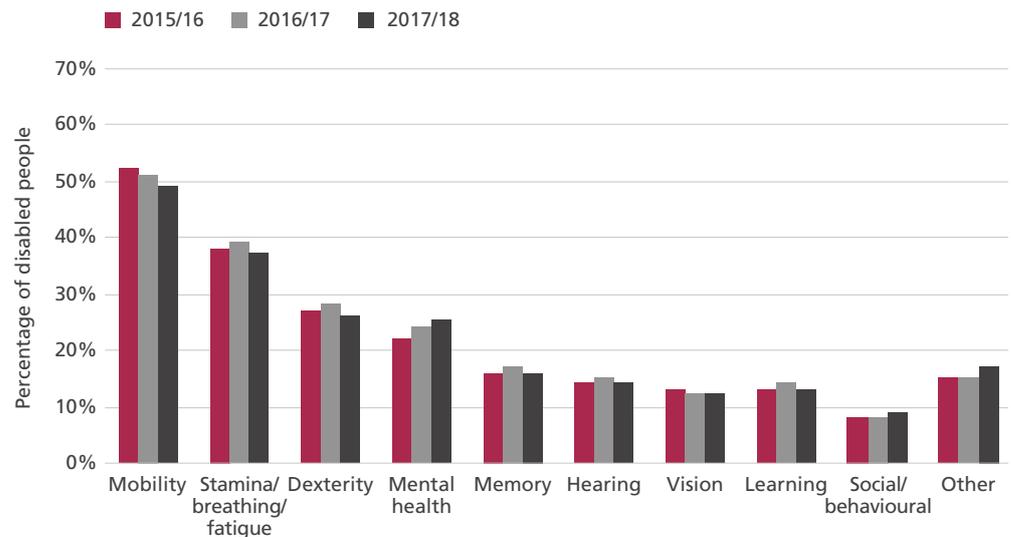
Outcomes in the labour market for people with a disability are incredibly poor. While the non-disabled employment rate was 82 per cent in 2018, it was 51 per cent for disabled people. For people with learning disabilities, the number dropped to 20 per cent.³⁵ Of huge concern is that fact that the number of working age adults with a disability has increased in recent years. Between 2007 and 2017 the percentage of people with a disability increased from 10.9 to 13.3 million. Prevalence of disabilities are higher among adults above the state pensions age. However, the percentage of working age adults with a disability over the same time frame rose from 14 per cent to 18 per cent.³⁶ The increase in the number of disabled people has been largely driven by an increase in the number of people who report a mental health problem. Between 2015/16 and 2017/18, half a million more people reported a mental health problem, an increase of 17 per cent. The number of people with a social or behavioural problem increased 20 per cent. Over the same period the number of people with a mobility, breathing, stamina or dexterity issue declined. Those reporting either a mental health or social/behavioural problem were more likely to be children or working age.³⁷

³⁵ Department for Work and Pensions, Family Resources Survey: financial year 2017/18 (28 March 2019)

³⁶ Department for Work and Pensions, Family Resources Survey: financial year 2017/18 (28 March 2019)

³⁷ Department for Work and Pensions, Family Resources Survey: financial year 2017/18 (28 March 2019)

Figure 4: Impairments reported by disabled people (DWP, FRS)



State of Crisis

Since UC was fully rolled out across the country there have been increasing concerns with how the most vulnerable in our society access UC. While the majority of claimants are able to make an application online, claim and find work over a short period, there is a significant minority who cannot and fall through the cracks. They have often found themselves in what we have identified as a 'State of Crisis'. This includes:

1. Financial insecurity and problem debt – By definition, relying on UC to supplement an income means someone is financially insecure. The DWP UC Claimant Survey found that around 1-in-3 claimants said they were either 'not very' or 'not at all confident' about their ability to manage payments.³⁸ However, there is evidence that some more vulnerable claimants on UC are more likely to experience severe forms of financial insecurity and problem debt. A Citizens Advice 2019 survey of UC claimants accessing Citizens Advice services showed:

- "The wait for an initial payment still leaves half of the people we help unable to keep up with bills, rent or going without essentials.
- 7 in 10 (70%) of the people we see on Universal Credit who take out advances are also getting into arrears on bills or rent.
- Debt problems are more common for the people we help with Universal Credit than those claiming legacy benefits, with 24% of people we helped also seeking debt advice.
- Only 45% of people we helped last year who were in work before claiming Universal Credit were paid monthly.

³⁸ Department for Work and Pensions, Universal Credit Full Service Survey (June 2018)

- Deductions in Universal Credit were experienced by more than half of all claimants in September 2018".³⁹

Institute for Fiscal Studies research on unsecured consumer debt (credit cards and personal loans) across the UK population showed lower income households were disproportionately more likely to struggle with debt repayments. While this does not look at UC claimants specifically, low income deciles are an adequate proxy for the vulnerable people accessing UC. Although low income households were less likely to have any form of debt, a third were in negative equity (debt levels exceeding financial assets). Households in the bottom decile of earners paid on average 12 per cent of their income towards debt servicing (the average across the UK was between 5 and 7 per cent). Consumer debt arrears are concentrated in the bottom decile of earners, "16% of those in the lowest income decile are in arrears compared with just 1% of those in the highest decile". Being under 'servicing pressure' (defined as spending a quarter of your income on debt service payments, or being in arrears) is also concentrated in low income and low educated groups; "the proportion of individuals in a household that is under pressure is 25% in the lowest income decile and just 6% in the highest decile... Low-educated young adults are more likely to face servicing pressure than high-educated young adults due both to higher rates of arrears and to higher costs of servicing their debts". Finally, lower income households were more likely to get stuck in problem debt, consistently spending a higher percentage of their income towards debt servicing.⁴⁰

While the majority of claimants are able to make an application online, claim and find work over a short period, there is a significant minority who cannot and fall through the cracks. They have often found themselves in what we have identified as a 'State of Crisis'.

- 2. Rent arrears and evictions** – The Residential Landlords Association (RLA) reported in August 2019 that 54 per cent of private sector landlords that leased properties to UC claimants have seen them fall in to rent arrears. More than 4 in 5 of these situations occurred after the renter started a UC claim.⁴¹ Citizens Advice data shows that half of its clients seeking help with a Universal Credit claim are in arrears.⁴²
- 3. Food bank usage** – Data from the Trussell Trust, Britain's largest Food Bank charity, showed a 73 per cent increase in food bank usage between 2013/14 and 2018/19. Between April 2018 and March 2019 there were 1.5 million three-day emergency food supplies given to people in crisis. The growth in the usage of food banks is hard to pinpoint and controversial. The Trussell Trust report the primary reasons for food bank referrals – income insecurity (33.11 per cent), benefit delays (20.34 per cent) and benefit changes (17.36 per cent). However this is contentious considering 94 per cent of UC payments are made on time and in full, and there are not enough people on UC to mean more than 300,000 people visit a food bank due to benefit delays.⁴³

39 Citizens Advice, Managing Money on Universal Credit (February 2019)

40 Hood, A., Joyce, R., and Sturrock, D. *Problem debt and low-income households* (Institute for Fiscal Studies, 16 January 2018)

41 LandlordToday.co.uk, *More than half of Universal Credit claimants are in rent arrears* – RLA (August 2019)

42 InsideHousing.co.uk, *Half of Universal Credit claimants helped by Citizens Advice 'in rent arrears'* (February 2019)

43 Trussell Trust, *End of Year Stats* [Accessed via: www.trusselltrust.org/news-and-blog/latest-stats/end-year-stats/]

- Closer inspection of the Trussell Trust report shows that only 15 per cent of food bank users are waiting for a UC payment. CSJ analysis of food bank usage suggests that financial insecurity and social isolation are large drivers of food bank usage. Single person households represent one in ten of the population but almost half of all foodbank users, similarly single parents are just one in twenty of the population but almost a quarter of foodbank users. Couples with the children represent almost a third of the country but only one in ten foodbank users.
4. **Worsening mental health problems** – There is no easy means of analysis the impact of UC on mental health. A large number of UC claimants have pre-registered mental and physical health problems. A report for the Money and Mental Health Policy Institute showed that “47 per cent of working age people receiving out-of-work benefits in England have a common mental health problem such as depression and anxiety” and in a survey of 450 UC claimants with mental health problems 94 per cent reported their condition worsening because of their experience claiming UC, while nearly half displayed signs of extreme anxiety⁴⁴. In early 2020, academics from the University of Liverpool conducted a longitudinal study of 52,187 UC claimants and found that the prevalence of psychological distress increased for claimants after the introduction of UC.⁴⁵

Case study: James

James is 18 years old with an undiagnosed learning disability and exhibits with social/behavioural problems. Unsurprisingly he struggled to get through school. He did not react well to the rote learning format of classroom instruction, and so days were often spent agitating both his teachers and other people in his class. Home life is chaotic as his Mum has three other younger children in a house with only 3 bedrooms. He sleeps on the sofa at night.

His support worker Rachel describes him as angry often agitated, with the ability to lose interest and his temper very quickly. He has recently been arrested by police for being involved in a stabbing (although he was neither the perpetrator nor victim). Rachel needs to get him on UC and into a job before things spiral. She organises a one-to-one session with a work coach, in a private room, at a quiet time of day and drives him to and from the meeting. This eradicates the highly probably risk that James doesn't turn up or worse, causes a scene in the JCP.

The impact of Covid-19 on the most vulnerable people in society

The public health crisis hit the most vulnerable people in society hardest. Older disadvantaged adults were more likely to be furloughed or lose their job during the crisis. Resolution Foundation analysis found that workers in industries forced close down were younger and economically already worse off, “*Typical pay for workers in shutdown*”

44 Bond, N., Braverman, R. and Evans, K., *Urgent reforms needed to give people with mental health problems fair access to Universal Credit* (The Money and Mental Health Policy Institute, 4 March 2019)

45 Wickham, S. et al. *Effects on mental health of a UK welfare reform, Universal Credit: a longitudinal controlled study* (The Lancet, 1 March 2020)

sectors is less than half that of those able to work from home – £348 a week compared to £707 a week... [and] their average age of 39 is four years below the average age of those who can work from home".⁴⁶

Financial insecurity on the whole rose during the lockdown. YouGov published a financial monitoring tracker with Standard Life Foundation. In April it showed 50 per cent of UK households expected to struggle to meet financial commitments over the next three months, 7 million households (25 per cent all households in the UK) had lost a significant part of their earned income as a result of the crisis, 7.9 million households (28 per cent of the UK) experienced financial difficulties (3.1 million households were in 'deep financial difficulty' and a further 4.8 million households were 'struggling to make ends meet').⁴⁷

Many households were already had severe levels of problem debt going into the crisis. The loss of a job can push someone with high levels of outstanding debt in to a severe financial problems as they are no longer able to service that debt. As of January 2020, there as £220 billion in outstanding consumer credit held by individuals, higher than at any point in the preceding 10 years.⁴⁸ CSJ calculations show there were 9 million people that would be considered over indebted and 3.3 million people in severe problem debt in the lead up to the crisis. The crisis also forced 4 million households to fall behind on rent, council tax and their telephone bills.⁴⁹

With so much uncertainty around many individual's financial situation and job prospects, it is unsurprising that there was an increase in instances of personal crisis. According to the Money and Mental Health Policy Institute as many as 100,000 people in problem debt attempt suicide every year, with debt-related mental health issues costing the NHS some £1billion per annum. The British Medical Journal completed a literature review of studies in to the 2008 European economic recession. It found that recessions were positively associated with deteriorating mental health problems and increased number of suicides.⁵⁰ Analysis published by the World Economic Forum found that "the average conviction rate for a cohort entering the labour market during a recession is 4% higher than for an otherwise similar cohort".⁵¹

The financial cost of the crisis spun out to become a deeper personal crisis for many. Domestic violence towards spouses, children and parents increased. A report by relationship charity RELATE, found that the 2008 financial recession had a negative impact on the strength and stability of couples. Couples hit by the recession were eight times

46 Gustafsson, M. and McCurdy, C. Risky Business (Resolution Foundation, 28 April 2020)

47 Coronavirus: Half of all UK households believe they will struggle to meet their financial commitments (Standard Life Foundation, 30 April 2020).

48 Bank of England database [Accessed via: www.bankofengland.co.uk/boeapps/database/fromshowcolumns.asp?Travel=NlxAZxSUX&FromSeries=1&ToSeries=50&DAT=RNG&FD=1&FM=Jan&FY=2010&TD=11&TM=May&TY=2025&FNY=Y&CSVF=TT&html.x=66&html.y=26&SeriesCodes=LPMB12O&UsingCodes=Y&Filter=N&title=LPMB12O&VPD=Y]

49 Citizens Advice, Near the cliff-edge: how to protect households facing debt during COVID-19 [Accessd via: www.citizensadvice.org.uk/Global/CitizensAdvice/Debt%20and%20Money%20Publications/FINAL01_05%20-%20Near%20the%20cliff-edge_%20how%20to%20protect%20households%20facing%20debt%20during%20COVID-19.pdf]

50 British Medical Journal, Recessions are harmful to health (7 September 2016)

51 Bell, B. Do recessions increase crime? (World Economic Forum, 4 March 2015) [Accessed via: www.weforum.org/agenda/2015/03/do-recessions-increase-crime/]

more likely to suffer some form of relationship breakdown.⁵² The Economic and Social Research Council published a report entitled *Recession Britain* citing research that found falling house prices also impacted the stability of relationships between young couples.⁵³

Head of Family Policy Cristina Odone wrote in April 2020 that “Charities dealing with domestic abuse are reporting a dramatic spike in the number of calls to their helplines ever since the lock-down: calls to the National Abuse Hotline in the UK soared by 65 per cent last month and by 25 per cent in a five day period last week; AgeUK reports 88 per cent increase in calls to its adviceline”.⁵⁴ Home Secretary Priti Patel announced on 11th April that the National Domestic Abuse Helpline reported a 120% rise in calls in one 24-hour period.

While total crime numbers did in fact fall during the crisis, fraud, online child abuse and incidences of modern slavery continued and worsened in some cases. Action Fraud reported in April that 824 people had fallen victim to scams which had netted perpetrators £2 million. There were already 10,627 suspected victims of modern slavery in the UK in 2019, and as police resources were reallocated to managing the response to the Covid-19 crisis, CSJ survey suggested that detection and support for victims collapsed.

Finally, the homeless population – including both those sleeping rough and those in cramped temporary accommodation – found themselves uniquely exposed to the virus. The figure below shows the Covid-19 death rate among boroughs with higher rates of temporary accommodation for homeless people was significantly higher. Areas with housing shortages and high rates of homelessness correlated starkly with those suffering the highest COVID-19 fatalities. Newham that had the highest death rate linked to Covid-19 of any borough (144.3 deaths per 100,000) is also one of the most overcrowded boroughs for housing (25.2 per cent of homes are overcrowded).⁵⁵

There is little doubt that the Covid-19 crisis has materially changed the shape of disadvantage in the UK. The Government’s efforts to tackle unemployment were sensible, welcome and timely. However, more needs to be done to help marginalised and vulnerable people in the UK, who have been left reeling from this public health crisis.

52 Kneale, Dr. D. et al. *Relationships, Recession and Recovery: The role of relationships in generating social recovery* (RELATE, 12 September 2014)

53 Vaitilingam, R., *Recession Britain* (ESRC, 17 September 2009)

54 Cristina Odone, *What the police are doing about domestic abuse during the shutdown. And what more they should do* (Conservativehome.com, 15 April 2020)

55 Baker, N. *The housing pandemic: four graphs showing the link between COVID-19 deaths and the housing crisis* (Inside Housing, 29 May 2020)

chapter three

Existing support services

Unemployment is never a price worth paying, but artificial jobs paid for with borrowed money doesn't work either.

Chancellor of the Exchequer George Osborne, April 2014

- In recent years, there has been a wide and complex array of overlapping employment support services for people in Britain.
- The Work Programme (Government's single largest welfare-to-work programme between 2011–2017) was successful in helping most people in to work, however it did not provide much help for the hardest to reach. This has now been replaced.
- A significant effort to improve employment rates for people with a disability have focused on providing employment support integrated with mental and physical health support.

The Work Programme, Work Choice and Work and Health Programme

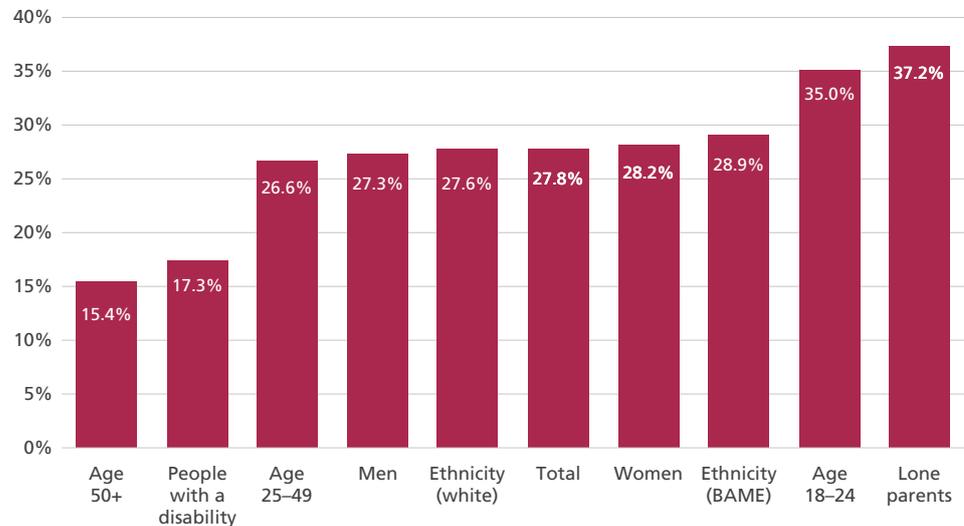
The Work Programme was set up in 2011 as the Government's main welfare-to-work programme. Its aim was to support unemployed people claiming Jobseeker's Allowance (JSA) or Employment and Support Allowance (ESA) who were between 3 and 12 months in to their claim. Qualifying claimants were referred to a provider who was free to design a programme suitable for claimants in their area. 1.8 million people were referred between 2011 and 2015, with 26 per cent reporting to be in sustained employment by the end of the two-year programme (this was above the DWP's original expectation).

However, despite the overall success of the programme getting people in to work, it resulted in less good outcomes for the hardest to reach people in the labour market. Just 12.5 per cent of ESA claimants got a job outcome within two years. DWP statistics also showed "*People with a disability and those aged 50 and over [were] the least successful in getting a job through the Work Programme*".⁵⁶ Learning and Work Institute data also showed that the Work Programme outcomes were lower than average in low income parts of the country – Wales, Yorkshire and Humber region and the West of England.

⁵⁶ Bivand, P. and Melville, D. Work Programme Statistics (Learning and Work Institute, 17 March 2016)

The sense was that specialist support was necessary for the hardest to help claimants, giving way to the creation of the Work Choice programme.

Figure 5: Work Programme Outcomes by Claimant Group



The Work Choice Programme was a specialist disability employment programme that focussed on disabled people who cannot be supported through mainstream employment programmes and their employers. The DWP stated in 2013, “A key principle underpinning Work Choice is a greater focus on those who need specialist support” through a more ‘personalised’ pre – and in-work support programme for participants. Analysis showed that personalised support suited participants and employers.⁵⁷ Work Choice had a much better success rate than Work Programme in getting people into work, with “62 per cent of participants in Work Choice between April and September 2015 had moved into work”.⁵⁸

In 2017 the Work Programme and the Work Choice Programme was collapsed in to the Work and Health Programme (WHP). The DWP and Department for Health indicated that the WHP will focus on providing personalised support tailored to the needs of programme participants. The combined budgets of both previous programmes was £540.8 million per year, whereas the WHP will receive just £130 million per year from 2019/20.⁵⁹

Individual Placement and Support

Individual Placement and Support (IPS) programmes have been operated around the country piecemeal. IPS targets individuals with severe and enduring mental health conditions through close personalised provision of both employment support and therapeutic support for their mental health condition. IPS has eight key principles: Paid employment secured in the competitive job market is the goal; It is open to all those who want to work; It aims to support people to find work that matches their preferences and interests; “Job search and contact with employers are initiated quickly – within 4 weeks; IPS is embedded in and integrated with the treatment services; The IPS specialists engage directly with employers, building relationships

57 Foster, S. Work Choice Evaluation and the DWP Disability Employment Strategy (Centre for Economic and Social Inclusion)

58 Powell, A. Work and Health Programme (House of Commons Library, 8 January 2018)

59 Powell, A. Work and Health Programme (House of Commons Library, 8 January 2018)

*to benefit their clients; It provides individualised support to the participant and their employer (in standard IPS this would be time-unlimited, although IPS-AD is trialling a time limited version of IPS offering support of up to 13 months); Participants are given expert advice around welfare benefits to enable them to make informed decisions about work”.*⁶⁰

An evaluation of IPS programmes around Britain carried out between 2018 and March 2020 is yet to report. However, early indications were that IPS was effective in helping people with poor mental health conditions especially people who had experienced very long periods out of work.⁶¹

Personal Support Packages and Intensive Personalised Employment Support (IPES)

In 2017 the Government announced the rolling out of PSP with £330 million to support Disability Employment Advisers in JCPs across the country. In 2019 IPES was rolled out across the UK for unemployed people who had a disability. Secretary of State Amber Rudd said *“this new programme is designed to offer people, who may think they will never move into work, tailored support to help them overcome any personal barriers they may have in the first instance, and then to focus on boosting their skills”.*⁶²

Help to Claim

Help to Claim is not strictly an employment support programme. Devised in response to the clear problem that some claimants had in accessing UC, Help to Claim is managed by Citizens Advice, and offers claimants help in making their first claim for UC. DWP made £39 million available for Citizens Advice to offer claimants help in making their first UC claim. Support is delivered online or face-to-face, and includes support in validating their identity, organising paper work and explaining the process of claiming to claimants.

UK Troubled Families Programme (TFP)

David Cameron gave a speech in 2011 on the importance of repairing the responsibility deficit in society. He cited the fact that in 2010 the state spent £9 billion on just 120,000 families, around £75,000 per family, through welfare, criminal justice, healthcare and housing budgets (to name a few). He said *“We’ve known for years that a relatively small number of families are the source of a large proportion of the problems in society. Drug addiction. Alcohol abuse. Crime. A culture of disruption and irresponsibility that cascades through generations... Our heart tells us we can’t just stand by while people live these lives and cause others so much misery. Our head tells us we can’t afford to keep footing the monumental bills for social failure”.*⁶³

60 O’Connor, R. Supporting people from substance misuse treatment into employment (Public Health England, 27 March 2019) [Accessed via: <https://publichealthmatters.blog.gov.uk/2019/03/27/supporting-people-from-substance-misuse-treatment-into-employment/>]

61 O’Connor, R. (2019), Ibid

62 DWP announces new IPES employment support programme (BASE, 10 December 2018) [Accessed via: www.base-uk.org/news/dwp-announces-new-ip-es-employment-support-programme/]

63 David Cameron, Troubled families speech (15 December 2011) [Accessed via: www.gov.uk/government/speeches/troubled-families-speech]

The reality was that families with complex issues and needs were not effectively or efficiently served by the current costly reactive public services – *“No one sees the whole family; no one grips the whole problem”*.⁶⁴ There was a need for additional support for these families so that anti-social behaviour, consistent criminal activity, truancy and violence were tackled, and the cost to society was ended. So the Coalition Government set up the Troubled Families Programme.

The programme aimed at tackling; worklessness, poor school attendance, mental and physical health problems, crime and anti-social behaviour, domestic violence and abuse and children who are classified as in need of help and protection. Although Local Authorities had some discretion in how the service was designed, each family was given a Key Family Worker who would co-ordinate support services for each aspect of trouble within that household. A MHCLG evaluation from 2019 stated that *“the programme is based on a high-level theory of change that whole family working, multiagency working, intervening earlier and focussing on outcomes and data are more effective in getting families the right interventions at the right time and therefore improving families’ lives and working in a more efficient way”*.⁶⁵

The results from TFP have so far been promising:

- Reduction in the proportion of Looked After Children: 2.5 per cent of the comparison group compared to 1.7 per cent of the programme group (24 months later).
- Statistically significant impacts for offending with fewer reports of contact with the police, use of force or violence within their home.
- Statistically significant difference between adults claiming JSA; though no statistically significant difference for adults claiming ESA (Income Support).
- Cohort families are significantly less likely to have made multiple visits to their GP; although the proportion reporting that their own health is excellent or very good has not changed significantly.
- Some evidence of positive changes in families for school attendance – although no change in the proportion of young people who say they have missed school without permission.
- Cost-benefit analysis estimates the effects of the programme on the 124,000 families that joined the programme in 2017/18. For this cohort, every £1 spent delivered £2.28 of benefits; and similarly, £1.51 of fiscal benefits. When excluding any effects on Jobseeker’s Allowance, economic benefits were £1.94 and fiscal benefits were £1.29.
- Majority of families recall their allocated keyworker by name (80 per cent). 83 per cent say that keyworker was helpful, including 61 per cent who say they were very helpful.

64 Ibid, David Cameron (2011)

65 Ministry of Housing, Communities and Local Government, National evaluation of the Troubled Families Programme 2015–2020: Findings (Mach 2019)

chapter four

International examples of personalised support

At the last election, you will all remember, we campaigned on jobs and growth. Well, it was a slogan then but it is an outcome now. Our policies are restoring confidence to business and business is responding by investing, creating more jobs and hiring more workers.

Australian Prime Minister Malcolm Turnbull, 14 December 2017

- Personalised one-to-one mentoring programmes have been used in other countries and have achieved good results.
- In many cases more holistic support programmes have helped tackle long term barriers to employment for benefit claimants.

Australia – Personal Support Programme (PSP)

From 1980s, Australian welfare policy increasingly recognised the importance of targeted employment programs to meet the needs of job seekers facing multiple and complex personal barriers to independence (low literacy and numeracy, mental health problems, substance abuse, social isolation, relationship breakdown, etc). In 1995, an interdepartmental working group found that the current system was not effectively resourced in order to support highly disadvantaged job seekers from overcoming such barriers to work. This led to the establishment of Job Seeker Support Panels (JSPPs) which heralded a new approach. This included the provision of a more holistic service to assist job seekers in overcoming personal challenges and stabilising their circumstances. Personal Support Programme (PSP) was then established in 2001 as part of the Australians Working Together (AWT) package of reforms. The underlying concept was “economic and social participation” rather than a mere focus on financial support and job acquisition.

Claimants were targeted by a psychologist and referred to PSP where they were put on a two-year plan by their case manager (from the contracted provider). Services included; Counselling and personal support, referral to local services, practical support in attending interviews and appointments, assessment involving strategies to establish goals, plans and objectives.

A study found that 15 barriers showed statistically significant reduced rating of the impact of barriers on (economic and social) participation, with the greatest reductions found for homelessness, alcohol problems, significant legal issues and significant grief issues. However, this was accompanied by an average increase in some barriers; and only one barrier (homelessness) showed a reduction in *prevalence*. Further, there was an increase in prevalence of five other barriers: motivational problems, lack of confidence or skills seeking work, anxiety problems, poor communication or language skills, and age. However, participants average self-reported readiness for work saw a statistically significant increase. There was also ultimately a statistically significant increase in employment status from 4 per cent to 24 per cent.

Finland – LAFOS

Finland experienced a severe recession in the early 90s that triggered a spike in unemployment. By the early 00s, there remained a group of long term unemployed people who had struggled to regain any step in the labour market since the recessions. The Ministry for Employment set up The Labour Force Service Centres (LAFOS) as a one-stop-shop for long-term unemployed people.

While the local employment office offered just core services such as job-search assistance, establishment of employer contacts, career guidance, and training, LAFOS provided claimants with a more holistic assessment and service. These were delivered in collaboration with local authorities, non-profit sector, business community and included nurses, doctors, psychologists, debt advisors alongside social workers and employment advisors.

Professionals would refer a long-term unemployed individual to LAFOS based on their working capacity and life circumstances. An action plan would then be developed and claimants would be guided to support services (often co-located in the same building) *“regarding social problems, the identification of rehabilitation services, and the search for suitable jobs, training or education”*.

Finnish evaluations have found user satisfaction rates were high for those who experienced LAFOS. Data from 2010 indicates that LAFOS had some success, albeit limited. Figures show that upon completing the LAFOS service process, around 10% of clients were employed in the open labour market; a further 12% were in active labour market programmes. The numbers receiving LMS (the long term unemployment benefit in Finland) did fall by 30% between 2004 and 2008 (but it is not clear the extent to which this can be attributed to LAFOS).

Norway – NAV

Prior to the welfare reforms, despite having relatively strong labour market performance, nearly a fifth of the working age population in Norway was out of work and receiving health related benefits. Norway’s main challenge was to mobilise this underutilised labour. Norwegian Government thus put forward several major policy reforms to contain benefit dependency and to prevent people from leaving the labour market to early or on a long-term or permanent basis. NAV was formed in 2006 merging the state public employment

services and the National Insurance Administration and bringing them together in front-line offices with municipal services providing coordinated services for all clients. One of the primary objectives of the reform was to have a single service point which deals with the needs of the individual client.

Relevant to Universal Support, NAV was designed for users with complex problems. By merging central institutions that were located in different ministries, in different agencies and at different administrative levels, the general idea was to better coordinate services to clients or users receiving benefits from multiple schemes. Therefore, unemployed people can access a wider ranging level of support around issues such as social isolation, mental health problems and skill deficiency.

chapter five

Universal Support 2.0

This is a real opportunity to really change people's lives by giving them the tools they need to take control...

Minister for Welfare Reform Lord Freud, December 2011

- Universal Support 2.0 – a wrap-around personalised support programme for the most vulnerable people in society – should be implemented across the UK to help the most disadvantaged people with chaotic and complex lives.
- Universal Support 2.0 should aim higher than simply getting someone in to work. Instead it should be anchored around supporting participants economic, physical, mental and social wellbeing.
- Universal Support programme could help make big in roads in cutting the cost of social problems. With a Return on Investment of between 1.5 to 2.0, government can expect to generate significant long-term savings across departmental budgets (including welfare, criminal justice, and public health).

Universal Credit – a dynamic benefits system – is the best welfare model for Britain in the long run. It combines a safety net for people who have no or little income with an incentive to find work and increase earnings. The CSJ has always been resolute in its belief that work is an essential route out of poverty. It offers people not just an income, but a source of identity, independence, and social structure. For this reason, among others, DWP must double down on ensuring UC works for everyone and concentrate their focus on reducing the number of people who are unemployed (especially those long-term unemployed).

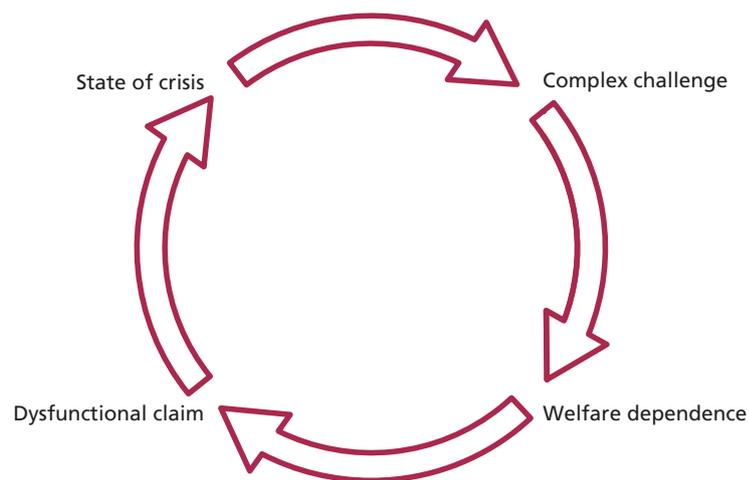
The challenge facing DWP is that, by the end of the year, there could be more than 5 million people out of work and in need of employment support. Many will pass through UC but are at risk of making a dysfunctional claim, being sanctioned, or ending up in a state of crisis.

Existing employment support programmes are not delivering results for the hardest to reach. This validates an entire body of research that has long criticised 'basic' active labour market programmes that focus on job training and job search assistance. Heckman and Smith (1999) found that programmes aiming to support lower skilled worker into work are both ineffective and not a worthwhile investment. Card et al. (2010) found outcomes from programmes across OECD countries varied significantly.

Many of Britain's long term unemployed and those applying for UC need extra support in tackling many of the multiple and complex challenges that they face if they want to access the labour market. Our welfare system needs to adapt to this reality. But more importantly, this provides everyone with an opportunity to address the most vulnerable in society and help people who are in desperate need of wrap-around wide-ranging holistic support.

A theory of change – personalised holistic support

Our theory of change rests on the belief that multiple and challenges impede many long-term unemployed claimants from accessing UC and accessing the benefits of the labour market. In our meetings with claimants, it was clear that either psychological or physical challenges were getting in the way of their ability to get on. There was a consistent pattern for claimants that we met where a complex challenge forced an individual to rely on state support, however they rarely were able to navigate the welfare system, would often end up in a state of crisis, which would then reinforce their existing disadvantage. Whether it was the inability to speak English, childhood trauma from child sexual exploitation, or a drug addiction, we found claimants (some of whom had never worked before) stuck in a vicious circle of repeated disadvantage.



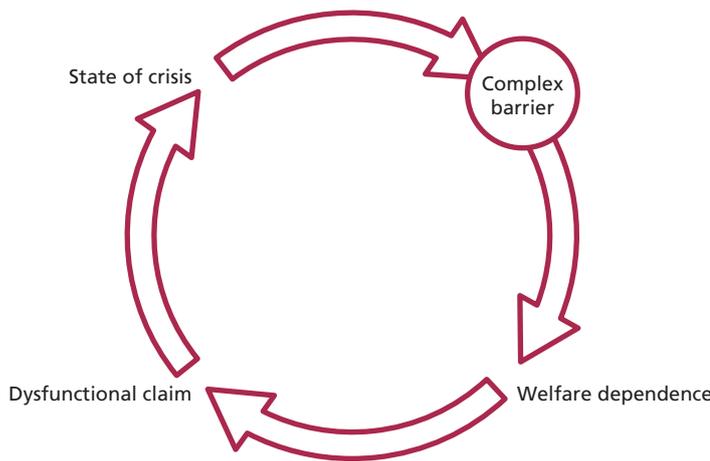
Case study: Brian

Brian has just discharged from a 6-month prison sentence in Cambridgeshire. When we met him, he had returned to his council flat to find a pile of debt servicing letters on his floor. He had £113 in his account and needed to apply for UC. The real problem lay though in the fact Brian has a massive anxiety problem and a history of alcoholism. This is likely to have stemmed from the fact that both his parents were addicts and he was sexually abused by a family friend as a child. Unsurprisingly, he fell out of education without any qualifications, struggled to get a job and dealt with his childhood trauma with alcohol. Prison accentuated many of the problems he faces in terms of anxiety and social paranoia.

He needs to book an appointment with a work coach, but his temper often frays when on the phone for a long time. He doesn't like leaving the house. His criminal conviction means getting a job will be very hard. These multiple and complex issues mean he often fails to get proper access to UC and other services available to him. His ability to get on and progress is severely inhibited.

By intervening in an individual's life, leveraging the trust and support of a claimant by delivering a personal holistic support services, that aims to tackle each barrier, there is an opportunity for someone to fundamentally change their situation. Without facing any complex challenges, someone is able to navigate the welfare system more easily, access the labour market, and avoid falling into a state of crisis.

Figure 6: Universal Support Theory of Change Process



<p>Complex barrier</p> <ul style="list-style-type: none"> • Mental/physical health • Social isolation • Substance abuse • Unstable housing • Criminal record • Problem debt • Caring or childcare responsibility • Relationship problems 	<p>Universal support service</p> <ul style="list-style-type: none"> • Key worker • Personalised plan of action • Specialist support services • Consistent/long term support 	<p>Key personal outcomes</p> <ul style="list-style-type: none"> • Reduced barriers • Increased employability • Wider social/emotional improvements 	<p>Social and economic outcomes</p> <ul style="list-style-type: none"> • Higher employment rates • Reduced welfare dependency • Lower levels of severe social breakdown (crime, drugs, homelessness) • GDP/productivity growth
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There is extensive evidence that personalised holistic support is both popular and effective. Evidence from the IPS, TFP, Universal Support delivered locally and international examples such as the Australian PSP validate the theory that providing personalised holistic support, allowing key workers to help claimants tackle multiple challenges as well as prepare for employment, is a successful model.

The DWP Improving Lives white paper concluded that personalised support was the most popular model among stakeholders, *“The consultation responses provided clear views that employment support is most effective when it is flexible to the needs and circumstances of individual customers”*⁶⁶

66 Department for Work and Pensions, Improving Lives: The Future of Work, Health and Disability (November 2017)

Evidence from the Government's trial of JOBS II showed peer support models, that pair participants together to discuss issues, challenges and personal barriers were successful in generating social engagement and improved "resilience to the stresses of searching for a job"⁶⁷ as well as improved emotional functioning and wellbeing.

The Department for Health's Improving Access to Psychological Therapies (IAPT) programme has found consistently that integrating talking therapy support with wider efforts to boost employment and address physical health conditions has been beneficial in helping people access their service. Analysis conducted by RAND Europe for the Department's for Health and Work and Pensions showed that "Comparing outcomes of the Work Programme with IAPT, it appears that the latter is somewhat more effective in supporting people with mental health conditions and moving them off benefits".⁶⁸

The Centre for Social Justice has seen first-hand how personalised support programmes delivered locally can be most effective in helping deliver change to someone's' life (see Chapter 6 – Case study: Focussed care),

Universal Support delivered locally trials⁶⁹

In 2013 Lord Freud announced the trial of a support programme that would sit alongside UC and would primarily connect claimants to support services that could help them with financial budgeting and digital support. In the long-term however Lord Freud envisaged a programme that would 'provide whole person support'.

The trials ran across 11 Local Authorities between 2014 and 2015. Models of delivery varied but they broadly focussed on referring claimants to USdI key workers, who would make an assessment of a claimant, and sign post them to appropriate support services. Despite a lack of uniformity and appropriate funding, evaluation on USdI carried out showed:

- claimants feeling more able to interact with the UC digital system, and
- more comfortable in addressing problem debt.
- Personal one-to-one support was the most popular delivery method among claimants.

Aims and principles of Universal Support 2.0

USdI trials focussed on people who struggled with the personal budgeting aspect of UC and those who were at risk of being digitally illiterate. Universal Support 2.0 however is much more. It is about life change and opportunity for people who are not just down on their luck, but people who face severe and multiple disadvantages. It should aim to cover many other aspects of disadvantage (substance abuse, skills deficiency, mental health problems).

67 Department for Work and Pensions (2017), Ibid

68 Van Stolk, C. et al. Psychological Wellbeing and Work: Improving Service Provision and Outcomes (RAND Europe, January 2014)

69 Note: More information on USdI trials in Appendix I

Aims of Universal Support 2.0 should focus on supporting an individual's:

- Economic wellbeing (including employment prospects).
- Physical wellbeing (including a stable housing).
- Mental wellbeing (including abstinence from substance abuse).
- Social wellbeing (including improved relationships with family and friends).

Universal Support should be built around the following **6 principles**:

- Target people who exhibit multiple and complex barriers that prevent them from getting a job. These should including any of the following:
 - Mental health problems,
 - childhood trauma,
 - social isolation,
 - substance abuse,
 - transient/unstable housing (homelessness),
 - a physical/mental health condition,
 - a criminal record,
 - high levels of personal problem debt,
 - caring responsibilities,
 - relationship problems.
- Universal Support should proactively target programme participants and intervene as early as possible (whether that is at the point of claim, of through referrals from other public services – GPs, Housing Association welfare officers, Council workers).
- Universal Support should set out to tackle major barriers to employment and independence for all programme participants. It should separate its support streams in to 5 areas:
 - Mental and emotional support.
 - Substance abuse support.
 - Housing and relationship support.
 - Employability and skills (including digital skills) support.
 - Debt and financial budgeting support.
- Universal Support 2.0 should deploy the 'Key Worker' model. Key Workers should be charged with working closely with claimants, developing a personal action plan for each claimant, and coaching their claimant until they have reached their personal aims.
- Support services should be delivered by specialist third party organizations.
- Universal Support should measure its outcomes based on a collection of metrics including claimants satisfaction, reported wellbeing, employment and earnings outcomes, financial resilience, and social resilience.

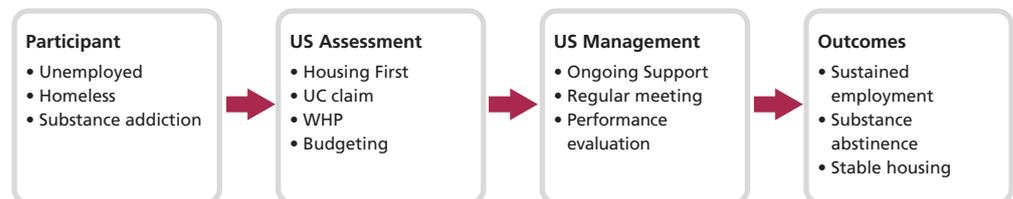
Potential Universal Support 2.0 models

There is no gold standard Universal Support 2.0 model. Nor should there be, much like with the Troubled Families Programme, different models of delivery will suit different areas, with a different population and different problems. The USdl trials showed that there are however several key elements for a Universal Support programme to work:

- Multiple identification and referral routes – participants should be easily identified and referred from multiple service points.
- A one-to-one key worker who assesses needs and sign-posts participants to services.
- Key workers should be independent of Universal Credit and DWP, contracted by a Local Authority.
- A competitive patchwork of local services able to serve the participants needs.

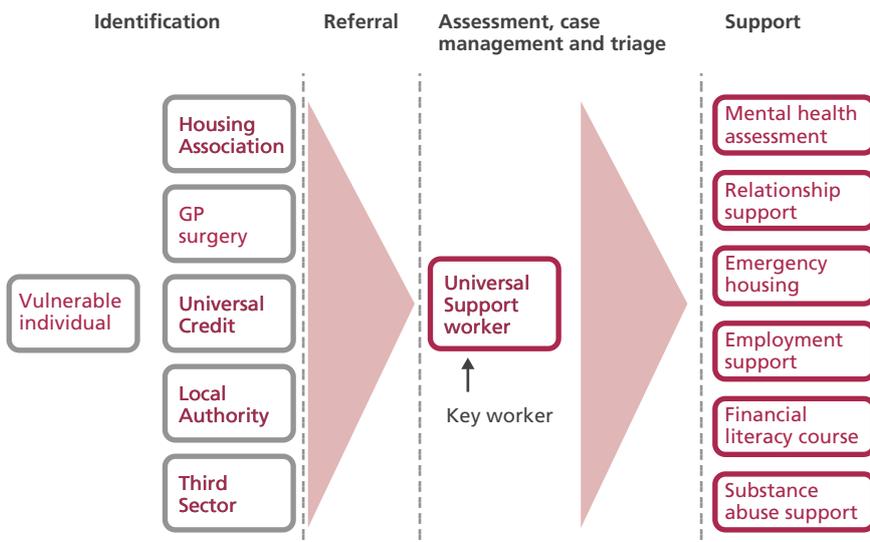
As we have outlined before, the participant journey should involve: (a) the identification of vulnerable participants (using the guidelines above), (b) referral of participants to a Universal Support worker, (c) the assessment, case management and triage of a participant to support services and then (d) the delivery of support by a third party. An example claimant (who identifies as unemployed, homeless, and with a substance addiction) journey is laid out below:

Figure 7: An example of the participant journey



The Universal Support 2.0 model in Figure 10 demonstrates how a vulnerable individual, interacting with existing public services (housing associations, council workers, GP/NHS workers) and the third sector, can be referred to a Universal Support programme (sitting outside of DWP and UC). The Universal Support key worker is then able to assess the participant, create a plan of action, direct them to appropriate support services and manage their case. Support services should be delivered again by external organizations, independent of either Universal Support or UC and DWP. This is the case already, with Work Coaches and JCP staff often sign posting external services to UC claimants.

Figure 8: Universal Support 2.0 model



Contracting and delivery partners

Universal Support 2.0 should be delivered by third sector organisations, contracted by the Local Authority (see chapters 6 and 7 case studies of Focussed Care and Beam). There is an abundance of evidence showing that UC claimants and vulnerable people more generally do not trust UC, JCP staff or DWP. However, we heard from many frontline organisations that strong relationships and trust between vulnerable people and third sector organizations is much more sustainable.

The Local Authority is best placed to contract delivery partners because central Government departments are too often reliant on pan-contracting of support services (squeezing out smaller specialist providers), and Local Authorities are better placed to judge the type of service that would work in their area. This system should allow for small organisations, embedded in communities to provide Universal Support services (see Chapter 6 – Case study: Focussed Care) while preventing the unnecessary contracting of services by large geographic areas to international organisations who are forced to squeeze their margins which jeopardizes quality of delivery.

Each third sector organization contracted to provide Universal Support should anchor their delivery model around both the key elements and the claimant journey outlined above. Central Government departments should hold Local Authorities to account for ensuring that their Universal Support model meets this guideline.

Return on Investment for Universal Support 2.0

The Return on Investment (ROI) in tackling people with multiple and complex barriers, like those detailed above, is hard to calculate. Existing calculations of social returns on programme investment can vary wildly. Evaluation of the Troubled Families Programme showed a Government investment of £448 million had saved the taxpayer £1.2 billion (a nominal ROI of 2.67).⁷⁰ A Public Health England report found moving an individual with mental health condition into employment generated a financial benefit to the Exchequer of £12,000 and on society more generally of £23,100.⁷¹

Universal Support is designed not just to help people on to welfare but to fundamentally change lives of the most vulnerable in society.

Assuming a moderate ROI of between 1.5–2.0, the investment case for Universal Support remains strong. Huge amounts of money can be saved across departmental budgets by reducing the risk of vulnerable people falling through the cracks of our welfare system, becoming indebted, becoming homeless, breaking families apart, and getting stuck in a vicious cycle of crime and addiction. Universal Support is designed not just to help people off welfare but to fundamentally change lives of the most vulnerable in society.

In 2007, The Centre for Social Justice estimated the cost of social breakdown at £102 billion per year.⁷² In 2020 this would be approximately £143 billion, an increase of 40 per cent. Digging in to more granular data, the economic cost of homelessness in 2019/20 was estimated £564 million,⁷³ the cost of drug misuse was estimated by Public Health England at £10.7 billion in 2017,⁷⁴ the Government released data on the economic costs of crime in 2015/16 showing the cost at £58.8 billion,⁷⁵ the OECD estimate that mental ill health costs Britain 4 per cent of GDP per annum – £84 billion – in 2018.⁷⁶ All of these social issues total £154 billion. This report is not making the argument that Universal Support will end crime, drug misuse or even mental ill health. However, a Universal Support programme could help make big in roads in cutting the cost of these social problems. This is because Universal Support targets the small group of the most vulnerable in society that exhibit multiple problems and contribute the most to the total cost of social breakdown. It is a reality that homeless people are more likely to struggle with a drug problem. Substance addiction often goes hand in hand with mental ill health and crime. Long term unemployment is also linked to worsening mental ill health.

70 Department for Communities and Local Government, The Benefits of the Troubled Families Programme to the Taxpayer (March 2015)

71 Public Health England, Movement Into Employment: Return on Investment Tool (2017)

72 Centre for Social Justice, Breakthrough Britain: Ending the costs of social breakdown (July 2007)

73 Note: Crisis estimate the cost of a single person rough sleeping to be £20,128 per year. Currently there are approximately 28,000 people rough sleeping in the UK.

74 O'Connor, R., Reviewing the evidence on drug misuse treatment (Public Health England, Public Health Matters; 26 January 2017) [Accessed via: <https://publichealthmatters.blog.gov.uk/2017/01/26/reviewing-the-evidence-on-drug-misuse-treatment/>]

75 Heeks, M. et al. The economic and social costs of crime – Second edition (Home Office, July 2018)

76 OECD, Mental health problems costing Europe heavily (22 November 2018) [Accessed via: www.oecd.org/health/mental-health-problems-costing-europe-heavily.htm]

It is also a reality that complex and multiple barriers often pass through generations. Children of workless parents are more likely to underachieve at school and end up in unemployment too.⁷⁷ Centre for Social Justice analysis of children from broken families found that they were more likely to experience homelessness, trouble with the police, alcoholism, debt and mental health issues.⁷⁸ Dame Louise Casey's explanation of challenges facing families in the Troubled Families Programme articulates this phenomenon, *"they had entrenched, long term cycles of suffering problems and causing problems. Their problems were cumulative and had gathered together over a long period of time – perhaps over generations. Listening to the families there was a strong sense of them having problems and causing problems for years. The longevity of their relationship with services was also striking. In many cases their problems began with their own parents and their parents' parents, in cycles of childhood abuse, violence and care which are then replayed in their own lives"*.⁷⁹

This is because Universal Support targets the small group of the most vulnerable in society that exhibit multiple problems and contribute the most to the total cost of social breakdown.

Funding and accountability

Grant funding should be made available by HM Treasury for Universal Support 2.0. In light of the measures taken by HM Treasury in response to the Covid-19 crisis, there are understandably limits on the funding available for such a programme.

This report calls for Government to match the funding available for the Work and Health Programme and IPES to fund for Universal Support 2.0.

Outcomes should be measured based across four themes – economic, physical, mental and social wellbeing. We have listed 14 further sub-measures below:

77 Schoon, I. Intergenerational transmission of worklessness: Evidence from the Millennium Cohort and the Longitudinal Study of Young People In England (Centre for Analysis of Youth Transitions, Department for Education, 2012)

78 Centre for Social Justice, Why Family Matters; A comprehensive analysis of the consequences of family breakdown (March 2019)

79 Department for Communities and Local Government, Listening to Troubled Families A report by Louise Casey CB, Department for Communities and Local Government (July 2012)

Key area	Measured outcomes
Economic wellbeing	<ul style="list-style-type: none"> • Successful and stable Universal Credit claim • Financial inclusion (regulated bank account) • Financial confidence (self-reported) • Work readiness and/or employment
Physical wellbeing	<ul style="list-style-type: none"> • Ability to carry out daily necessities (hygiene, food etc) • Stable housing • Safe home existence • Access to mobility support if necessary
Mental wellbeing	<ul style="list-style-type: none"> • Life happiness and satisfaction (self-reported) • Substance abstinence
Social wellbeing	<ul style="list-style-type: none"> • Positive family relationships (self-reported) • Non-cognitive skill development • Meeting parole requirements (if necessary) • Positive social engagement

The evaluation of Universal Support 2.0 should be measured against success in supporting participants according to these 14 measures, as well as performing a more macro evaluation of over societal and economic impact of the programme in any area.

chapter six

Case study: Focussed Care

About

Focussed Care (FC) is a Community Interest Company, funded through private donations, the Greater Manchester Combined Authority and various NHS Trusts. It was started by a group of GPs who recognised patients who exhibited medical problems often came from a background of multiple and complex economic and social problems. A patient may suffer from severe depression, but they also haven't worked for years and are in under intense financial stress. A mother with dependents might need post-natal support but is also living in poor quality and unstable housing.

FC place a 'Focussed care Practitioner' in community NHS surgeries across low income neighbourhoods in Greater Manchester. Typical communities rank high on the index of multiple deprivation, have low levels of educational attainment, low employment, poor quality housing and high levels of health inequality.

How do they operate?

Patients who exhibit multiple and complex problems, are referred by practice staff, local community workers or even the police. The FC Practitioner will often visit the patient at home, assess the patients situation, develop a trusting relationship, create a plan for personal progress and work with the patient to tackle each problem. The FC Practitioner can bring together agencies and patients, *"and also establish accountability for the patient and for the agencies involved, meaning that appointments are attended, practical support is provided"*.⁸⁰ FC Practitioners do not work to set goals (employment, physical diagnosis, or the first UC payment). They make a discreet assessment of the patients' needs and adjust their involvement with them based on that judgement.

FC Practitioners come from a wide variety of backgrounds – social workers, teachers, health visitors and nurses. FC's budget is approximately £1.5 million per annum, benefiting from sharing space with NHS services, low levels of capital investment and keeping variable costs to personnel.

⁸⁰ <https://focusedcare.org.uk/what-is-focused-care/>

Outcomes

Focussed Care participants were found to benefit from the intervention. Patients were:⁸¹

- Less likely to present at A&E in the year following.
- Likely to see a significant reduction in substance misuse.
- More likely to have dealt with complex housing problems (50% of issues related to housing were resolved in a year).
- More likely to comply with medical advice and attend a smear test appointment.
- Children classified as 'in need' were more likely to be making progress.

81 <https://focusedcare.org.uk/headline-statistics/>

chapter seven

Case study: Beam

About

Beam was set up in 2017 when its founder Alex Stephany wanted to use technology to help support homeless people in his local community. BEAM uses crowdfunding technology to raise funds for people who experience homelessness, to support them in getting a skilled job. Money raised for each person helps them access stable accommodation, clothing, a course to support their skill development, an occupational license (if necessary) and anything else needed to help that person achieve a job.

How do they operate?

A person experiencing homelessness is referred to Beam by an established homeless charity or their local council. Referrals take place online and can take only 2 minutes to complete.

Each person is allocated a dedicated support specialist. Beam state that each support specialist helps every *"person develop a tailored career plan, building on their unique strengths and interests"*.⁸² Many support specialists talk of the importance of working with people with a wide variety of complex barriers, as well as working with a wide variety of agencies (local government, housing associations, charities and employers) to help their participant reach their goal. The support specialist work with each participant to create a budget, offers support to them in raising funds and helps them access the qualifications and job opportunity that they are working towards.

Outcomes

Beam has successfully expanded across a number of local authorities in London and have a total of 39 referral partners (from Hammersmith and Fulham Council, to the YMCA Thames Gateway and the Big Issue). In terms of output Beam have succeeded in the following:

- £810,253 has been donated in total.
- 221 people supported, 61 per cent are male, 74 per cent identify as White British.

⁸² <https://beam.org/how-it-works>

- 75.86 per cent of those who have started work have sustained work for at least 13 weeks.
- 26 people have become electricians, 13 security guards and 12 have become healthcare assistants. Job satisfaction rates are 8.2/10.

Beam's prior participants often talk of the goodwill of Beam staff, and the fact that they helped each participant tackle a multitude of issues (welfare dependency and homelessness) as well as unemployment. Beam is now contracted by several local authorities to provide services in their area to support reducing homelessness.

Conclusion

Everyone must take responsibility for their own actions. But when the state fails, it can amplify the worst in people.

Prime Minister David Cameron, December 2011

Work has been shown to improve the wellbeing of individuals, their families, and their communities from both an economic and a quality of life standpoint.

Public Health England, 2017

Universal Credit has been the most ambitious social policy endeavour since the 1940s. Welfare policy before Universal Credit was crude in its attempts to solve the problem of worklessness and welfare dependency through increasingly generous handouts. People realised, perfectly reasonably and quickly, that returns to welfare were more lucrative than returns to work. The benefits of employment – an income, a sense of purpose, social interaction, mental stimulation, dignity, and pride – were lost to a cohort of people that got stuck on a confusing myriad of different payments. In reforming the welfare system, Britain took its first step towards a social security system that could be both generous, supportive but also fair and help people to get back on their feet.

However, it is right to say that the job is only half done. Firstly, the economic impact of Covid have already been disastrous (and are yet not fully known. By the end of this year there could be 5 million people in Britain who want a job but don't have one. Secondly, a truly compassionate social security system should be about life change and empowerment, not just a welfare check in the post. Universal Support was originally about that; helping people who may be applying for Universal Credit but also need help in stabilising their housing situation, advice on dealing with burdensome debt, help in accessing educational and skills opportunities, or getting an appointment for a medical diagnosis.

This could not come at a more important time. The Covid-19 crisis has been traumatic for the country. The economic cost is likely to be felt for a long time to come. As this is written, unemployment forecasts estimate that up to 750,000–1 million more people will become unemployed. People who had the security of an income but have no savings have been plunged into a risky situation. Financial pressures can lead to debt, housing problems, relationship strains, and in the most extreme cases, violence, homelessness, substance misuse and criminal activity.

The Government needs to step up to the plate and finish the job they set out to do in 2012, creating a truly compassionate social security system that helps change lives for the better.

Appendix

Universal Support delivered locally trials

In February 2013 the DWP published Universal Credit: Local Support Services Framework which outlined a new relationship between the many different support services that exist to support all claimants entering a JCP. Whereas previously service providers would help people make their claim for different benefits, UC negated the need for this advice as it was 'digital by default' with a single access point for the most important working age benefits. As a result, the DWP (under Lord Freud, Minister for Welfare Reform at the time) envisioned a Universal Support service that was delivered by local organizations. They would primarily provide digital and financial management assistance, but in the long run would be more holistic.

Speaking in 2015 Lord Freud said, *"The roll out of Universal Credit is an opportunity to bring together many different agencies responsible for delivering the current multitude of benefits alongside other local support providers, like local authorities and charities. Many of these services often work in isolation. Under Universal Support, these services will be brought together in a joined-up, potentially co-located way, based on local needs to provide whole person support. Led by a partnership of the local authority and Jobcentre Plus, in the interests of both claimants and the taxpayer"*.⁸³

Trials for Universal Support delivered locally were run across 11 local authority areas⁸⁴ between September 2014 and November 2015. By the end of August 2015, 14,854 claimants had been assessed, 9,382 were referred for support, and 4,723 took part in digital or personal budgeting support.

Local Authorities were given a large amount of discretion in how the USdl trials were delivered. As a result models varied.

Some Local Authorities targeted groups who struggled with problem debt, others targeted claimants on ESA, while several adopted a mixed approach. Claimants were then assessed in terms of their needs (via a face-to-face assessment) and referred if necessary, to either a budgeting support programme or digital literacy support programme. In more sophisticated models, central advisers would work with claimants through the trial, re-assessing them and tracking progress (these tended to be more successful models).

⁸³ David Freud, Speech to the Local Government Association (21 January 2015)

⁸⁴ Note: Argyle and Bute; Blaenau Gwent; Carmarthenshire; Derby; Dundee; Islington; Lambeth, Lewisham, and Southwark; Northumberland and South Tyneside; South Staffordshire; West Lincolnshire; Westminster and RBKC.

The majority of trials referred claimants to existing digital and financial support services that were designed to support claimants' needs around the transition to UC. Personal budgeting support was generally delivered via a one-to-one service, while digital inclusion courses were generally more open with walk-in sessions manned by on-hand advisers.

The role of JCPs and Local Authorities varied across all the trial models. As the evaluation stated, *"In a small number of cases, Jobcentre Plus and Local Authority staff were fully integrated within a single team, with support services co-located. More commonly, services were co-located – typically within a Local Authority setting. In the third model, Jobcentre Plus led on the engagement and triage of claimants with onward referral to services. Finally, in some rural trials' services were dispersed or delivered through networks"*.⁸⁵

Anecdotal and qualitative survey results showed that both budgeting support and digital literacy support resulted in claimants feeling more able to interact with the UC digital system, as well as more comfortable in addressing problem debt. However, analysis of claimants found that there remained a number of barriers facing claimants. These included language barriers, basic literacy, social marginalisation, and severe financial insecurity (budgeting support was not helpful for people who faced destitution).

Since the USdl trials and evaluation, there has been little financial or political commitment in Universal Support. The exception has been funding of Help to Claim. Help to Claim is managed by Citizens Advice, and offers claimants help in making their first claim for UC. DWP made £39 million available for Citizens Advice to offer claimants help in making their first UC claim. Support is delivered online or face-to-face, and includes support in validating their identity, organising paper work and explaining the process of claiming to claimants.

The Centre for Social Justice and other organisations have made a number of representations to Government for increased funding of Universal Support. In 2016 the CSJ released a short report outlining the core aims Universal Support, *"The aim of USdl is to support individuals with the transition to UC, as well as help them access other local services that meet their complex (and often multiple) needs"*. The findings in that report included the need for local authorities to improve data sharing practices, focus on peer-to-peer mentoring within Universal Support as a key means of building trust and rapport with claimants. Data showed that more than a third of claimants did not engage with USdl when support was offered due to a lack of trust. Training of Universal Support staff was considered lacklustre. While personalised support was considered essential for Universal Support, co-location and a homogeneity in service delivery was also considered important for future success of the programme.

85 Department for Work and Pensions, *Evaluation of the Universal Support delivered locally trials* (July 2016)

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