

Does Universal Credit help work progression?

The experience of part time workers receiving Universal Credit

**This report is based on evidence from
interviews with claimants conducted by
Citizens Advice Sheffield**

August 2019

Work Progression on Universal Credit

Executive Summary

This research set out to examine how Universal Credit is working for part time workers in Sheffield. In particular we were interested to explore how feasible it is to expect claimants to increase their income through work, and whether Universal Credit is succeeding in enabling claimants to overcome the barriers to work which were present in the legacy system.

Under Universal Credit, the controversial system of conditionality¹ and sanctions will be applied to in-work claimants via the “In Work Progression” programme, which is due to be piloted this summer. In their 2018 Low Pay Britain report, the Resolution Foundation found that the share of employees on low pay in Sheffield was the second highest of the city regions in the UK at 23%². This means that changes to the position of low-paid workers under Universal Credit are likely to have widespread effects in our city.

The rationale for shifting the responsibility for securing financial stability onto working people requires that claimants are able to find and secure additional work and that working more hours will lead to an increased income. However, the people we spoke to faced significant challenges to increasing their income through work:

- Work available is mostly of poor quality. Participants struggled to secure full time work with guaranteed hours, or higher-paid work which reflects their skills, qualifications and experience.

¹ <https://www.york.ac.uk/news-and-events/news/2018/research/welfare-conditionality-is-ineffective/>

² <https://www.resolutionfoundation.org/publications/low-pay-britain-2018/>

- Claimants' personal circumstances continue to limit their ability to take on more hours of work. This includes those with caring commitments, older people, or those managing a health condition or disability.
- There is a lack of understanding among claimants of the requirements placed on them under Universal Credit, as well as what support they are entitled to. Many participants found that they had not received the support that could have helped them secure additional work.

Following these findings, we recommend that:

- Jobcentres should strengthen relationships with local employment and digital support projects, and signpost claimants to these for help developing employability and job search skills.
- Jobcentres should do more to advertise the Flexible Support Fund so that claimants and staff know that upfront costs do not have to be a barrier to work.
- Jobcentres should promote the financial support available for childcare costs to claimants, including those who currently have no work requirements. Jobcentres could also offer free taster sessions to build parents' trust in formal childcare.
- Jobcentres should implement a clear and consistent way of identifying claimants with complex needs, such as those managing a health condition or disability.
- The Government should simplify the rules around passported benefits and ensure that UC claimants retain the same entitlements as those on legacy benefits.

Broadly, the findings from this study indicate that the picture of greater work incentives and personalised support painted by the Government is not reflected in the reality of the experience of part time workers claiming Universal Credit in Sheffield.

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Background

In 2018 Citizens Advice Sheffield conducted a piece of exploratory research into the barriers faced by part time workers under the legacy system trying to increase their income through work³. The report found that people faced multiple challenges, such as:

- Caring commitments can provide a barrier to work, for example if people struggle to find or pay for childcare.
- Lack of availability of full time work caused people problems, as well as a lack of opportunities to progress in their current jobs.
- Some participants were not looking to increase their hours of work due to the negative effects of full time hours on a health condition or disability, or had increased difficulty looking for work because of their condition.
- Hardship caused by the recovery of benefit overpayments can act as a barrier to work.
- Participants perceived that they would not be better off if they worked more due to the structure of the benefit system, for example if they lost entitlement to a benefit⁴.

Universal Credit is intended to get 200,000 people into work⁵. One of the key ways the new system aims to achieve this is through the forthcoming In Work Progression program. Under Universal Credit part time workers on a low income, who could previously claim Tax Credits as an income top up, will in the future come under a program of conditionality and sanctions which previously only applied to

³ The legacy system refers to the system of means tested benefits, such as Jobseekers Allowance and Tax Credits, which preceded Universal Credit.

⁴ The full report can be accessed here: <https://citizensadviceffield.org.uk/news/just-about-managing-new-report/>

⁵ Government estimates for 2024/25
https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/725477/uc-business-case-summary.pdf#page=6

those out of work. Part time workers claiming Universal Credit will be required to increase their earnings through a pay rise, or by taking on additional hours or an additional job, as a condition of receiving their benefit.

The In Work Progression program is currently on hold pending a pilot which is due to start this summer. At the moment, for part time workers earning at or above their Administrative Earnings Threshold (AET) which is £338 per month for single people or £541 for couples, there will be no requirement to increase their income through work. This is referred to as the 'light touch' regime. While it is not currently possible to directly research the effects of In Work Progression for part time workers, this study does provide the opportunity to better understand the needs and preferences of part time workers which will affect the future success of the program.

Research questions:

Question 1

How feasible is it to expect part time workers to increase their income by getting a promotion or a pay rise, or taking on additional hours or an additional job?

Sub-question 1

Does Universal Credit resolve any of the issues within the legacy system identified by the *Just About Managing* report?

Question 2

More broadly, how is Universal Credit supporting part time workers to achieve their employment aspirations?

Method

The method used for this study was telephone interviews. Participants were asked to verbally respond to a short questionnaire to gauge sample demographics before moving onto an semi-structured interview to explore how they had found claiming Universal Credit while in work. See appendix A for interview schedule.

Sampling

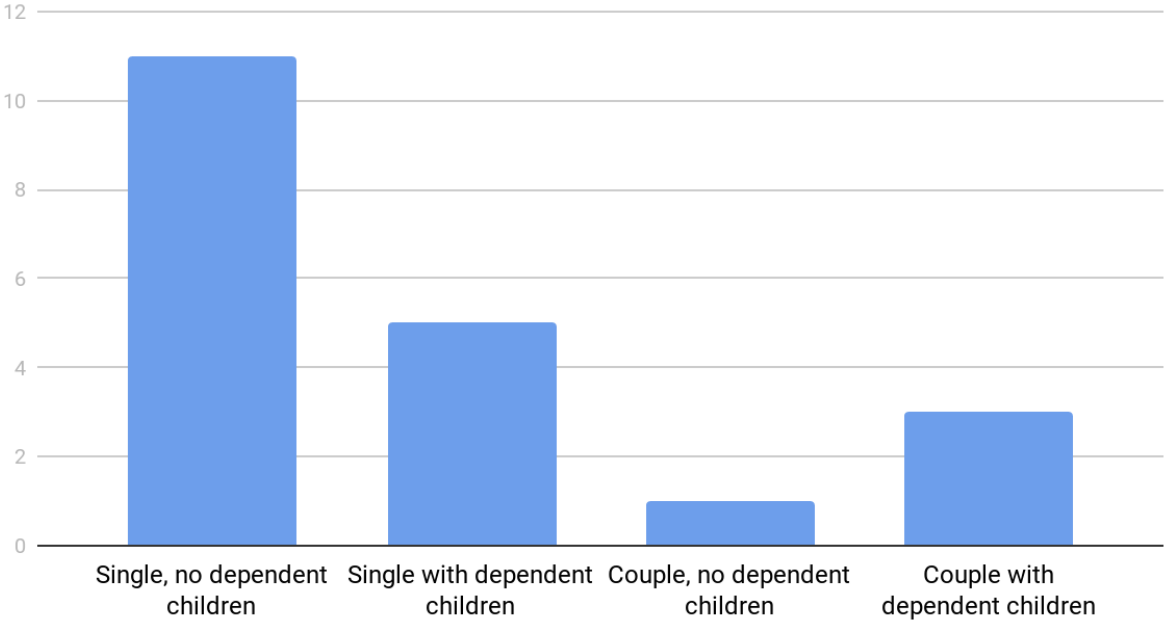
The sample for this study was made up of part time workers who had previously accessed support from Citizens Advice Sheffield for an issue relating to their Universal Credit claim. The sample was identified using the information already held by Citizens Advice about clients' employment, and using the Universal Credit Advice Issue Code under which cases are categorised. The group of ten participants was made up of the first ten people to agree to take part and who fitted the sample criteria. Following preliminary exploration of this data, the next ten participants were selected purposively to expand on the initial findings. This involved including more participants who were working under sixteen hours per week and more self-employed workers. See appendix B for table of sample demographics.

Findings

Childcare commitments

Costs and commitments relating to childcare play a significant role in people’s decision making around work. Information and support for claimants around accessing and paying for childcare is limited.


Fig 1 Sample household types



For those we spoke to, childcare commitments were given both as a reason for people not being *able* to take on more hours of work as well as a reason for not *wanting* to increase their hours.

Simon used to work nights, however when his older children moved out, he had to drop down to working part time during the day to look after his youngest son. As a single parent, Simon’s options for informal childcare are limited, and he told us that he doesn’t feel comfortable about the idea of using paid childcare.

'Basically, it could be me I don't know, there's only certain people that I trust with me child y'know what I mean, his mother, who has very little to do with him'



As Simon currently has no work related requirements, meaning he is under no obligation to prepare or search for more hours of work, he has received no guidance from his Jobcentre around the support available under Universal Credit for covering childcare costs. Simon told us his 'hands are tied'; until his son gets older he cannot take on more hours of work.


Lena cares for her disabled son. She has a personal assistant to support her son, which allows her to work ten hours per week. Lena told us that she would like to earn more to be able to better provide for her son.

'I'm not happy (in current job) but it's a difficult situation for my son, so I would like to be looking for a better job'




Chris is a single parent with two school aged children. Although his children are old enough that he can work outside of school hours, Chris has cut down his hours of work in order to spend more time with them. While childcare commitments can clearly provide a barrier for people increasing their hours of work, Chris' experiences suggest that spending time with children can also be something that parents want to do, particularly single parents. This is reflected in the *Just About Managing* report which found that non-financial factors such as this can have a strong influence on people's decisions around work.

'I need to put more hours in the home life, it's not easy having two young lads and not even knowing what I'm doing myself'



The majority of participants either used informal childcare provided by friends and family or worked only during school hours. Only one person we spoke to had tried to access Universal Credit support for childcare costs. **Charlotte**, a single mother with a one year old baby, recently separated from her partner, had tried to access support for childcare costs. However, she had found the different options confusing, and had only received payment for one month's worth of childcare.

'They have given me some this last month, I mean I've written them to say like I don't really understand why I've suddenly got this and not the rest but they've not got back to me yet...it's quite confusing, I've never been on benefits before'



Due to the 'light touch' regime, only three out of the twenty people we spoke to were required by the Jobcentre to be actively searching for more hours of work. Therefore it was predominantly single parents, who do not have the opportunity to share the responsibility with their partner, who told us that their ability to work was affected by childcare commitments. Furthermore, because those with no work related requirements reported very limited contact with the Jobcentre, even those who are struggling financially are not receiving the support which might allow them to increase their hours of work. This is reflected more broadly across those supported by Citizens Advice Sheffield; of the 2,718 cases brought to Citizens Advice Sheffield related to Universal Credit since Sheffield switched to full service in November 2018, 16 are related to childcare costs. The experiences of participants in this study suggest that claimants are not trying to claim for childcare costs because of the lack of information around what support is available. However, ensuring that parents have access to childcare will be an essential factor in the

success of Universal Credit; research by the Work and Pensions select committee has found that 95% of the extra 133 million hours which the DWP estimates will be worked under UC will be worked by mothers, with 78 million hours worked by lone mothers⁶.

The current way in which Universal Credit is being rolled out means that this study cannot give a definitive answer to whether barriers relating to childcare commitments will be resolved under Universal Credit. However, these findings do indicate that claimants who are not required to search for more hours of work, but who would like to work full time, are not receiving enough guidance around what support is available under Universal Credit.

Health condition and disability

For those with a health condition or disability, working part time is either a necessity due to the negative effects of full time hours on their health, or a choice which allows them to better manage their health.

Half of the people we spoke to identified themselves as having a health condition or disability. For many of those people, the primary reason they were not looking for more hours of work was the negative effects of working a full time week on their health.

Benjamin has problems with his mental health. He currently works twenty hours per week, and finds that this is already a challenge to his health. He expressed that he would like to earn more, but that it would not be worth the negative effects on his mental health.

Benjamin also told us that it takes him a while to feel comfortable in a new working environment, which means that changing jobs or taking on an additional job would be difficult for him. Benjamin also told us that his current job in the cleaning

⁶Details can be found here: <http://www.cpag.org.uk/content/uc-childcare-and-controversy>

industry provides no opportunities for promotion or in work training. This will be further discussed in the section on *Poor Quality of Work*, however it is important to note how external factors relating to the labour market interact with the specific needs of people with a health condition or disability.

'Working 20 hours, even though it's only 20 hours that's putting me out of my comfort zone...It's taken me a while to get used to the routine, I'm not good with change'

'Eventually I would like to earn more money, but if it's going to be detrimental to my health then it's not worth it really...If I wanted to work more hours in the future I'd have to look for another company which would be a problem for me because I've got used to working with the people I know, I'm not good with change'

Rose had to quit her cafe work and cut down her hours due to problems with her shoulders. She enjoys her current job in retail, but any promotion would mean a more physically demanding role which would not be possible due to her health condition.

'I'm keeping working because I want to, I like work'

'If I was to become a runner like they call it on tills I'd be stood on me feet all the time'


When **Rebecca** first claimed Universal Credit she was not working. She took out a £100 advance payment to cover the waiting period, however the whole £100 was recovered from her first payment, leaving her with a payment of one pence. Rebecca took on work in a bar because she urgently needed money.

'I thought I can't function like this anymore, I'm on strong pain medication for my back, I can't afford to go without food again'



Rebecca has Osteoporosis which causes her back pain, which is made worse by physical work. She has tried to claim limited capability for work, but has been found fit. She told us that 'they don't class it as a disability basically'. She is hopeful that, if she can get help to manage her pain, she will be able to work full time again because she doesn't want to, or feel like she can, rely on welfare support.

'I'm waiting for a hospital appointment at the pain clinic to try and sort out the pain in my back. I'm in enough pain just doing a 4 hour shift on the bar. A 4 hour shift on the bar leaves me in agony for about 2 days after. But obviously I need to work, so rather than having them on me chase...as soon as I get the pain under control obviously I will because I really want to work full time'



Most participants told us that they had been able to talk to someone at the Jobcentre about their health condition, and were happy with the amount of hours they were working. One participant, **Sharon** had not spoken to anyone at the Jobcentre about her mental health condition; she told us 'I don't know how these things work'.

However, from this information it is unclear whether a 'light touch' is being applied due to people's health needs or because they are earning their AET. The three people we spoke to who were earning under the AET were not required to do any work search or preparation, and all identified as having a health need or disability, which suggests that Jobcentres are using their discretion to support people with specific health needs. This is particularly important for people like Rebecca who are not found to have limited capability for work, and whose long term aspiration is to work full time, but who need support to be able to work in a healthy way.

Age

For some older people, their age influences their employment aspirations


While some of the health conditions people identified were related to their age, many of these participants also expressed that their age affected their decisions around work. Six out of the twenty people we spoke to were over 60 and for some people, working full time or working in positions of greater responsibility were things they had done in the past, but no longer aspired to.

'I don't want it, I don't want promotion, I used to have people under me, I've had the headaches I've had the beatings, I'm 55 I don't want no more of that'


Simon



'That's another thing, at my age, a lot of them want you there 48 hours a week, I've done that in the past and I don't really want to do it' Tom



Sharon told us that the choice of work available to older people is limited. She told us that her job is **'not the job I want to do but the job I will do, it's useless looking for something else at my age'**.




Confusion around how Universal Credit works

There is a lack of information and support available to help claimants understand how Universal Credit works, particularly in relation to being better off in work, and the future of conditionality under Universal Credit.

When calculating means tested benefits an earnings taper is applied, which refers to the rate at which benefit entitlement reduces as earned wages increase. Under Universal Credit the taper rate is 63%, meaning for every extra pound a claimant earns their benefit entitlement goes down by 63 pence. Many of the people we spoke to were aware of the taper rate and perceived it as punitive.


'If I went on more hours I wouldn't get any benefits at all, because you know universal credit stops you 63p in every pound...It just doesn't work...you're penalised for not working, you're penalised for working' Emma



'Every pound that I get paid from this company they take 63 pence...they get more than I do' Tom



'The problem is, any hours that I work they take away from the money they give me, so at the moment it seems to be no point working, so they encourage people not to work' Farida




The taper rate under Universal Credit (63%) is more favourable than Housing Benefit (which is 65%).

For the people we spoke to who had switched from legacy benefits to Universal Credit, little information had been provided by the Jobcentre about whether they would be financially better off under the new system. Findings also suggest a lack of support to help claimants understand how increasing their hours would affect their benefit entitlement. One of the recommendations of the *Just About Managing* report was for Jobcentres to promote the use of 'better off calculation' tools such as Entitledto⁷ which enable claimants to see exactly how working more hours would affect their overall income. It is clear that confusion around how working affects benefit entitlement still remains under Universal Credit which prevents people from making informed decisions, and may even deter people from taking on additional work.


There was some confusion around what people's Claimant Commitments required them to do. Some participants were not required to search for more work, but thought this might only be a temporary situation.

'It (his Claimant Commitment) does mention about looking for work but like I say I can't because I haven't the time because of me young'un' Simon




⁷ <https://www.entitledto.co.uk>


'They don't really disclose much about what you have to do, they never told me what I had to do... he was alright on the phone, said you don't have to look for any more work, I think he said as yet, I'm not sure' Sharon



'I don't even know how Universal Credit works... this is what really confused me, do I have to come in every month to show what I've been doing and that, she says yes Peter, so I did all that brought all me stuff in and guess what she said she says oh I don't need to see all that... It was a bit of a hard task what they would ask of you at the Jobcentre (under legacy benefits), but you knew where you stood' Peter




'At first I used to go every three weeks something like that and I was filling in my to do list and jobs I'd applied for because I thought I still had to work more than 12 hours, but the last time I went to the Jobcentre she said because you're working the 12 hours you don't have to come here no more' Agatha



Several people mentioned sanctions, but often seemed unclear about how they would apply.


Emma's work coach informed her that, 'if I were to come off work I wouldn't get any Universal Credit because it would have to go to a decision maker'



Here 'decision maker' refers to the person who decides on the outcome of a sanction referral.

Peter had a frustrating conversation with his work coach, but thought that if he walked out of the interview, he would be sanctioned:

'I felt like wanting to get up and walk out, but then they would probably sanction me then wouldn't they, because they've got the power y'know'




Peter's comments put himself clearly in opposition with the work coach, rather than them being a source of support.

Emma increased her hours to 16, thinking she would be able to claim Tax Credits, however this was not possible as she was already claiming Universal Credit. She was also not aware of the possibility of an advance payment, and managed by loaning money from her boyfriend.

Understanding and perceptions of the Universal Credit advance varied between participants. For those moving from legacy benefits onto Universal Credit there was less understanding and acceptance of the benefit advance process.

Rashida was pushed into arrears when her Housing Benefit stopped after her Universal Credit claim was made. She believed her Housing Benefit would continue until her first Universal Credit payment. She did not receive a Universal Credit advance, however it was unclear whether this was by choice or whether she was not informed.


'I wait long time because I thought when they stopped the housing benefit they were gonna pay and then after they said no they don't pay. I had to go to court about it, and now I'm paying the debts, they take the debts from my benefit that's the problem'



While the two week Housing Benefit run on is a welcome change, evidence suggests that even when the first Universal Credit is paid on time, which is not the case in 24% of new claims, this is not enough to prevent rent arrears. 54% of council tenants who started claiming Universal Credit after the two week run on was introduced are at least one month behind on rent, and a third are at least two months behind⁸.

Peter decided not to take out an advance as he felt he should not have to take out a loan to cover the waiting period. Peter managed by borrowing money from friends instead.

'Why should I have to pay it back when they're the ones that have caused that?'



Farida and her partner are paying back their benefit advance at £180 per month, which they are struggling with. She has asked for a reduction of the recovery rate but has been told they must repay within a year. Currently, benefit advances must be paid back within 12 months. This limit is to be extended to 16 months, but not until October 2019. However, it is clear that the repayment deadline is causing problems for claimants which casts doubt on the legitimacy of delaying this change.

The perception of the earnings taper and the lack of clarity around the Claimant Commitment are the key issues here which affect part time workers in particular. From this research it is unclear how this would affect the roll out of In Work Progression. However, in order for the Claimant Commitment to be a contract which can legitimately be used to make potentially life changing decisions such as

⁸ Details can be accessed here: <https://www.independent.co.uk/news/uk/home-news/universal-credit-rent-arrears-delay-housing-citizens-advice-a8764696.html>


applying sanctions, the requirements of claimants and what kind of support Jobcentres can provide needs to be clearly communicated. Furthermore, if claimants do not understand how Universal Credit works, it is likely to fail in its goal of getting more people into work.

The value of passported benefits and the cost of working

Entitlement to passported benefits and costs relating to work played an important role in people's decisions around work.

For some of the participants we spoke to, one of the factors which deterred them from taking on more hours of work was the chance that they might lose their passported benefits. Under legacy benefits, having a claim for certain means tested benefits would mean you would automatically be entitled to 'passported benefits' such as free school meals and free prescriptions. However, Under Universal Credit, there is the added requirement of earning under an earnings threshold. For example, to be entitled to free school meals under Universal Credit you must have a yearly household income of under £7,400. This is well below the £15,444 per year which Child Poverty Action Group identifies as the poverty line for a single parent household with two dependent children⁹.


'I still get free prescriptions, I'm on medication so I get regular prescriptions and if I was working full time I'd have to pay for them' Rebecca



Simon thought that, when he reduced his hours to look after his youngest son, he would be eligible for free school meals. However, due to the new rules under Universal Credit, Simon's son is not entitled to free school meals.

⁹ Information on UK poverty lines can be found here:
<http://www.cpag.org.uk/content/uk-poverty-line>


'It's a catch 22 that...I thought if you claim benefits you'll get help with free school meals, if I want free school meals I've got to cut down to £7,000 a year...so what do you do?'




Since Farida and her husband started working, her children are no longer entitled to free school meals, however she told us that she is not managing financially. She says 'we get the same amount of money we used to get'.

On the other hand, people found that work related costs mean that working more hours does not leave them significantly better off.

'If I weren't working I'd be £60 odd a month better off because I wouldn't have to get a bus pass to get to work' Emma



'Working I'm a little bit better off but not that much better off, it might work out at £15-20 a week, they said I might be better off at about £35 a week but when you take off travel expenses' Tom



Tom and Emma's experiences also illustrate that due to wage stagnation and the freeze on benefit rates, people are struggling to keep up with the rising cost of living.

Others lacked the upfront funds to secure or progress in work, despite the existence of the Flexible Support Fund intended to facilitate this.

Rebecca spoke to us about wanting to get her pub license, which would give her the opportunity for better paid work managing a pub. However she cannot currently afford the cost of the course, and could not get help from the Jobcentre.

'I did ask them once whether they would put me through for my pub license for if I got a chance to manage a pub, but they wouldn't do it, so I don't find them helpful at all...at the moment I really can't afford the cost of going through for the course'

Rebecca had previously secured a retail job, but lacked the upfront funds to keep it; **'I got an interview, they'd sent me to this interview, I had my interview, got the job, phoned the Jobcentre and said I need a bus pass and I need some money for some work clothes and they said to me that I was no longer claiming because I was under a sanction, hence I lost the job'**

Likewise, Peter, who owns his own business, has had to take on alternative employment because he lacks the upfront costs to pay for his car to be repaired.

It is possible for work coaches to use their discretion to support people with the upfront costs related to moving into work through the Flexible Support Fund managed by local Jobcentres. However, from the experiences of the people we spoke to it is clear that this discretion is not being applied in all cases.

For the participants in this study entitlement to passported benefits and work related costs had a significant part to play in their decisions around taking on work, and their understanding of how they would be financially better off.

Hardship

Financial hardship was a common experience among the people we spoke to.

Many participants told us that they were in a difficult financial position, and many have relied on financial support from friends and family throughout their Universal Credit claim;

'It's very bad for me, I phone friends for money, it's too difficult' Helen



'I'm not managing, because I'm still having to borrow off people' Peter




'I get a lot of loans from friends' Abdo



Rashida has high levels of reductions for past benefit overpayments which are causing her significant financial difficulties;

'I've got no money left to live to be honest...yesterday is Eid, I have three granddaughters and my niece and I pay presents £1 each'



'Y'know like yesterday we eating dinner, today...there's not dinner'



The high rate of recovery of the Universal Credit advance which left Rebecca with a first payment of one pence forced her into work despite the negative effects on her health condition.

Research by Citizens Advice into how people are managing money under Universal Credit found that benefit advance and benefit overpayment recovery was a source of financial hardship for many clients¹⁰. This is reflected in the experiences of the people in this study. However, due to the low levels of conditionality under the 'light touch regime', only a small proportion of our sample were susceptible to sanctions. Sanctions cause clear problems for claimants managing their money, and therefore it is likely that this study can only describe part of the picture of the levels of financial hardship which may exist under In Work Progression.

Poor quality of work

Low pay, low progression and insecure jobs were common among the people we spoke to.


Many of the people we spoke to worked in jobs such as cleaning, caring and delivery driving, which are typically low paid and do not provide many opportunities to progress into higher paid positions, or to secure guaranteed hours for those on zero hours contracts. Some people were happy in their current jobs, particularly those whose ability to work was limited by a health condition, disability or childcare commitments. However, those who were looking for different jobs had come across significant difficulties;

'There's no job that I can work in full time' Saalim




¹⁰ Managing Money on Universal Credit can be found here:
<https://www.citizensadvice.org.uk/Global/CitizensAdvice/welfare%20publications/Managing%20Money%20on%20Universal%20Credit%20%28FINAL%29.pdf>

Farida works on a zero hours contract as a teaching assistant; **'I am looking for any work, it's very difficult to get a job these days...the problem is there is no opportunity to find permanent jobs'**




'The job I'm doing I might only work one day one week, the week after that I might be working 4 days so I do still keep looking for jobs trying to find something that's more stable if you understand...you apply for jobs and 9 times out of 10 you don't hear back anyway' Tom




Others struggled to find work that made use of their skills, qualifications and experience.

'When you work freelance there is a pool of interpreters like me and the one who comes first gets the jobs first...and the hours are really not that much of work, really just a waste of time...I am a geologist, I used to work in the oil industry, I graduated from Sheffield and I had my own business' Abdo



The experiences of Farida and Abdo suggest that even for those who have qualifications which should allow them access better quality work, in reality the work available is often low paid with poor working conditions.

Sharon is 64. She used to be an IT tutor but now works in retail. She told us; **'It's not the job I want to do but the job I will do, it's useless looking for something else at my age'**



The people we spoke to who were looking for work had experienced difficulties relating to the availability of good quality work.

Desire for face-to-face support

Those we spoke to who were looking for work felt face-to-face support would be beneficial for them.

Several participants expressed the desire for face-to-face support from the Jobcentre. For some this was because of the problems they had found looking for work online because of their ability to use computers.

'There's no personal contact any more, it's all done on internet' Tom




However, Chris, who did not talk about any specific needs around work searching, also said that he would appreciate some face-to-face support.

'It would be nice if you could get a face-to-face every now and again'



Rebecca, who has a health condition which limits the work she can do, was encouraged to find office work rather than the bar and care work she was skilled in. However, the office jobs she had been suggested required computer skills which she did not have.

'They were saying 'it's easy to find a job' but it's not, I've done endless amounts of computer courses and I can't get used to it, we didn't need them when I worked in nursing homes'



This was also expressed by Agatha; **'I'm not very good at the computers and things. The work I do is bar work'**



However, **Dilek** works on a variable zero hours contract and has fortnightly face-to-face contact with the Jobcentre, seeing the same person each time. The difference between Dilek's experience of work coach support and someone like Rebecca who is not receiving the necessary support to find suitable work highlights the lack of consistency within the support provided by Jobcentres, even within the same Jobcentre area. This inconsistency contributes to the confusion previously discussed around what claiming Universal Credit means for part time workers and more specifically what kind of support people are entitled to.

While the majority of those we spoke to were not required by their Claimant Commitment to search for more hours of work, many said they would like to work full time, and expressed that some face-to-face support from the Jobcentre would be beneficial, particularly for digital support. The new idea of the 'work coach' is a key feature of Universal Credit; according to the Department for Work and Pensions, under Universal Credit 'you will experience a different type of relationship with your work coach than you may have expected. They will focus on mentoring and coaching you'. However, the picture of personalised support and professional development painted by the department is not reflected in the experiences of the people we spoke to. Very few participants even recognised the term 'work coach', and did not feel confident approaching the Jobcentre for support around issues such as childcare support, better off calculations and developing their skills. The lack of delivery of the new notion of the work coach is reflected in comments made by MP Heidi Allen at an evidence session as part of an inquiry by the Work and Pensions Select Committee on Universal Credit and sex work. Allen suggested that very few of her constituents received the kind of personalised support which had been promised by the DWP.

Key points

- The 'light touch' currently applied by Jobcentres means that very few people are put in the all work requirements conditionality group. This also means that the majority of people we spoke to had little to no contact with the Jobcentre and the notion of a 'work coach' was not widely recognised. Despite the claims made in the DWP's recent 'myth-busting' advertising campaign, this study suggests that currently the personalised support into work which has been promised under Universal Credit is not being universally delivered.
- There was a broad lack of understanding around whether and by how much working more would leave people financially better off.
- Eligibility for passported benefits was a key factor in people's decisions around work.
- There are inconsistencies in the level of support provided by Jobcentres.
- Universal Credit has not enabled claimants to overcome the barriers identified by the *Just About Managing* report, in particular barriers to do with health conditions and disability and childcare commitments.
- For those we spoke to who had been looking for work, there are significant difficulties relating to the availability of full time or guaranteed hours.
- The majority of the people we spoke to were in low pay, low progression jobs. Some people said that more hours would be available in their current job, however these were often people working on zero hours contracts where hours would not be guaranteed.
- People who want to increase their hours of work feel that face-to-face support would be beneficial, particularly around digital skills relating to work searching.
- Financial hardship was still as common among participants as with the legacy system

Analysis and conclusion

What this means for In Work Progression

Research question one asked *how feasible is it to expect part time workers to increase their income by getting a promotion or a pay rise, or taking on additional hours or an additional job?* The people we spoke to identified various factors which might make it harder for people to take on more hours of work. Some of these are related to the claimant, such as having a health condition or disability, or childcare commitments. Some of these are related to the labour market, such as difficulty finding full time or guaranteed hours. These factors were identified by the 2018 *Just About Managing* report as problems within the legacy system, and there is little to suggest that they have as of yet been resolved under Universal Credit.

Several people we spoke to who were looking for more hours said that they feel they would benefit from some face-to-face support from the Jobcentre. The examples people gave were predominantly around digital support which has been identified by the Department for Work and Pensions as one aspect of the work coach role¹¹. The key point which requires clarification and communication is whether there is a positive offer of support from Jobcentres, available on request, which is not linked to conditionality. A report from the House of Commons Public Accounts Committee found that despite the current caseload of work coaches meaning vulnerable claimants are not receiving the support they need, the number of claimants per case manager is set to increase six times by 2025¹². This suggests that claimants with no work requirements who want to increase their hours may be excluded from jobcentre support due to lack of resources.

A further consideration for In Work Progression is the level of understanding of Universal Credit among claimants. Some of the people we spoke to were unsure of

¹¹ From the Department for Work and Pensions candidate information pack for the role of work coach. Info available here: <https://obr.uk/box/the-role-of-uc-work-coaches/>

¹² Available here: <https://publications.parliament.uk/pa/cm201719/cmselect/cmpublicacc/1183/1183.pdf>

what their Claimant Commitment required, or for how long this might be the case. There was also a lack of clarity around whether and by how much people would be better off working more hours. This is a significant issue, as under the In Work Progression program the Claimant Commitment would be used to make decisions around sanctions which can have severe detrimental effects on claimants. Furthermore, moving from the 'light touch regime' into the all work related activity group may mean some people entering into a conditional welfare system for the first time with no existing relationship with their work coach and no understanding of the support that is meant to be available under Universal Credit.

Because In Work Progression is not currently in practice, this study cannot provide evidence of the effects of introducing conditionality to part time workers. However it does provide insights into the current difficulties which people face when trying to increase their hours of work, and the ways in which these may be alleviated.

Achieving employment aspirations

Research question two asked *how is Universal Credit supporting part time workers to achieve their employment aspirations?* The majority of the people we spoke to were in low paid, low progression jobs. Some people found their work satisfactory, particularly those whose ability or desire to work is affected by a health condition, disability, age or childcare commitments. However, for those who were searching for more hours or different work, the poor quality of work available was a cause for frustration. Many people struggled to find full time or guaranteed hours, or work that would make use of their skills, qualifications and expertise. Rebecca spoke to us about her experiences of working while managing a health condition, which provides a good example of someone who could be supported to achieve her employment aspirations if work coaches are able to use their discretion.

Case study: Rebecca

Rebecca works 16 hours in a pub. She would like to gain her pub licence which would give her access to better paid and higher skilled work as a manager. Rebecca has a health condition which is made worse by physical work, but has been assessed as not having limited capability for work. She disagrees with this decision, but long term her wish is to work full time. She is awaiting support to manage the pain caused by her health condition, which would allow her to take on more hours. The jobs which Jobcentre workers are suggesting to Rebecca are office based to minimise the effects on her health condition, however these jobs require computer skills which Rebecca does not have, and do not use the bar skills she does have. For someone like Rebecca, the requirement to increase her hours would not support her to achieve the kind of work she wants. Entering into a new industry would likely mean a low level of pay in a low skilled position. For Rebecca, the ability of Jobcentre workers to recognise this and to be able to use discretion to allow her to get on top of her health condition would be key to her long term success in work.


Earlier this year Work and Pensions Secretary Amber Rudd called for new government focus on getting people into higher paid and higher skilled work, following the decrease in the national unemployment rate¹³. However, questions remain about the capacity of Jobcentres to deliver this support through In Work Progression considering the limited resources available.

For the people we spoke to, entitlement to passported benefits played a key part in decision making around work. Equally, extra costs relating to work such as travel and uniforms acted either as a barrier to accessing more hours or as a disincentive. The high value placed on passported benefits may be to do with their perceived stability, as they provide guaranteed support for a specific aspect of a claimant's life. This is particularly significant considering the level of financial hardship among the people we spoke to, for whom very small changes in their income could leave

¹³ Details can be accessed here: <https://www.gov.uk/government/news/record-employment-is-not-enough-jobseekers-need-the-chance-of-better-work>

them without enough money to live on. It is possible that financial hardship also affects people's decision making around work, as taking on extra hours or a different job may be perceived as giving up a guaranteed income to be replaced by an uncertain one, particularly considering the low quality of the work available. Furthermore, a report by the Behavioural Insights Team (initiated, and owned by, the Government) found that financial hardship has been found to have a negative effect on people's ability to make decisions¹⁴. The pressure of applying for and complying with welfare benefits, and budgeting limited resources, can use up people's cognitive resources meaning decision making is more difficult. This is reflected in what Abdo told us about how he has found looking for work while experiencing financial hardship;

'The main aims from this, they want people to go into employment, but this is the worst thing to do to get people into work because at least I need to eat, I need to buy electricity, I need to pay taxes...sometimes I feel very very nervous, I feel very tired because of problems like this'



Recommendations

These recommendations for the Department for Work and Pensions relate to changes which could be made to the delivery of Universal Credit at the Jobcentre level and changes to the structure of entitlements under Universal Credit.

- Jobcentres should strengthen relationships with local employment and digital support projects, and signpost claimants to these for help developing employability and job search skills.

¹⁴ Report by the Behavioural Insights Team available here: <http://www.behaviouralinsights.co.uk/wp-content/uploads/2017/02/JRF-poverty-and-decision-making.pdf>

- Jobcentres should do more to advertise the Flexible Support Fund so that claimants and staff know that upfront costs do not have to be a barrier to work.
- Jobcentres should promote the financial support available for childcare costs to claimants, including those who currently have no work requirements. Jobcentres could also offer free taster sessions to build parents' trust in formal childcare.
- Jobcentres should implement a clear and consistent way of identifying claimants with complex needs, such as those managing a health condition or disability.
- The Government should simplify the rules around passported benefits and ensure that UC claimants retain the same entitlements as those on legacy benefits.

Limitations and further research

- Two of the people we spoke to were self-employed but at the time also held jobs as employees. However, both had experiences confusion around their position as a part time, self-employed worker under Universal Credit. Therefore, further research would be needed to determine how well Universal Credit is supporting self-employed workers.
- Using telephone interviews meant that some conversations were not possible due to language barriers. Although there were no direct attempts to make the sample representative of the demographics of Sheffield claimants, this may mean that the experiences of people who speak English as a second or other language have not been included.
- Universal Credit is designed to move people from part time to full time work. The design of this study, which gives a snap-shot of people's experiences, does not provide evidence of how well Universal Credit is achieving this goal. One opportunity for future research could be to re-interview some of the participants in this study to see whether they have found full time work.

Appendices

Appendix A: Interview Schedule

Introduction: We're conducting some research into how well Universal Credit is working for part time workers in Sheffield. I am a volunteer researcher with Citizens Advice Sheffield and the information I'm collecting will also be used as part of my Masters project with the University of Sheffield. We're calling you because you've been supported by Citizens Advice, and we have you down as working part time and receiving Universal Credit. Is that still the case? We're interviewing people over the phone, which involves a short questionnaire and then some more general questions about how you've found Universal Credit so far. It should last around 20 minutes. If you decide you are willing to take part, we will use your responses to form recommendations to try to improve Universal Credit.

Questionnaire

No.	Question	Response
1	On average, how many hours a week do you work?	<16 hours >16 but <30 hours
2	Can you tell me about what kind of contact you've had with the Jobcentre since starting your UC claim	
3	How often are you in contact with your work coach?	At least once a week At least once every 2 weeks At least once every month Less than once a month
4	How do you usually speak to your work coach?	In person Over the phone Via text Via the online journal

5	<p>What level of work activity have you agreed in your claimant's commitment?</p> <p>**We are asking this to find out what kinds of things work coaches are asking of claimants, and whether claimants feel that this is appropriate</p>	<p>You don't have to do anything to prepare or look for work</p> <p>You have to go to regular meetings with your work coach</p> <p>You have to meet your work coach regularly and also prepare for work, for example writing a CV and going on training or work experience</p> <p>You have to do all you can to find a job or earn more. This includes looking for jobs, applying for jobs and going to interviews</p>
6	<p>Do you live by yourself, or as part of a couple? *Check CB</p>	<p>I live by myself</p> <p>I live as part of a couple</p>
7	<p>Are there any children living in your house which you or your partner are responsible for? If so, how many, and how old are they? *Check CB</p>	
8	<p>Is there anyone else who you regularly care for, such as a relative? If so, roughly how many hours per week do you spend caring for them?</p>	
9	<p>Do you consider yourself to have a health condition or disability? *Check CB</p>	<p>Yes/No</p>
10	<p>Are you currently paying back an advance payment from the start of your Universal Credit claim? You may have received money upfront to cover the waiting period at the start of your claim</p>	<p>Yes/No/I don't know</p>

Semi-structured interview questions

Work		
Q1	All participants	Are you currently looking for more hours at work/better pay/a different or additional job?
Q2	If no to question 1	What are the main reasons why you are not currently looking for more of better paid work?
Q3	If yes to question 1	How successful have you been?
Q4	If yes to question 1	What problems have you faced when looking for more or better paid work?
Q5	If they have to look for work	What sort of help have you had from your work coach?
Q6	All participants	Do you think you would be financially better off if you took on more work?
Q7	If they have to look for work	Has your work coach shown or explained to you how you would be better off in work?
Q8	All participants	What best describes your work? Permanent contract Fixed term contract Self-employed Zero hours/bank contract
Q9	If they are required to look for work	What kinds of jobs are you looking for?
Q10	All participants	Are there any opportunities in your current job for a promotion, pay rise or increasing your hours? Are there opportunities to develop your skills, for example through a training course either in your job or in your own time?
Q11	If they are required to look for work	Has your work coach discussed options for developing your skills?
Q12	If they specify that they are self-employed	Have you heard of the minimum income floor is, and do you know whether it applies to you?

Q13	If they specify that they are self-employed	Do you typically earn above the minimum income floor? £8.21 *hours agreed on CC
Q14	If they specify that they are self-employed	Do you feel that Universal Credit suits self-employed workers?

Caring commitments		
Q15	If they specify that they have dependent children	Who looks after the children while you are at work?
Q16	If they specify that they have dependent children	Do you pay for childcare? If so, how have you found arranging and paying for childcare?
Q17	If they specify that they have dependent children	Has your work coach advised you on how to find or pay for childcare?
Q18	If any children are of school age	Do your children get free school meals? How have you found accessing free school meals?
Q19	If they specify that they care for someone who is not a child, but do have some work requirements	Have you discussed your caring commitment with your work coach? Is there enough flexibility in your job searching to allow you to care for this person?

Health condition or disability		
Q20	If they specify that they have a health condition or disability	Do you find that working affects your health condition or disability, either by making it better or making it worse?

Q21	If they specify that they have a health condition or disability	Have you discussed your health condition or disability with your work coach? How supportive is your work coach around your health condition or disability?
Q22	All participants	Do you get free prescriptions?

Overpayment or advance payments		
Q23	All participants	Do you currently have any benefit overpayments which you are paying back?
Q24	All participants	How are you managing paying back overpayments or a benefit advance?

Q25	All participants	Is there anything else you would like to add relating to how you have found Universal Credit so far?
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Q26	All participants	How would you describe your current financial position?	Managing ok Just about managing Not managing
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Appendix B: Sample demographics table

Participant pseudonym	Average hours	Age	Gender	Ethnicity	Couple?	Dependent children?	Disability or health condition?
Simon	>16<30	54	M	White-British	No	Yes	No
Sarah	>16<30	60	F	White-British	No	No	Yes
Emma	>16<30	60	F	White-British	No	No	No
Sharon	<16	63	F	White-British	No	No	Yes
Arshad	>16<30	39	M	Asian British-Other	Yes	Yes	No
Saalim	>16<30	43	M	Mixed- White and Black Caribbean	No	Yes	No
Rose	>16<30	62	F	White- British	No	No	Yes
Peter	>16<30	54	M	White- British	Yes	No	No
Lena	<16	46	F	Other- any other	No	Yes	No
Farida	Variable	45	F	Black British-African	Yes	Yes	Yes
Tom	Variable	59	M	White- British	No	No	Yes
Rashida	>16<30	51	F	Other- Arab	No	No	No

Participant pseudonym	Average hours	Age	Gender	Ethnicity	Couple?	Dependent children?	Disability or health condition?
Chris	Variable	38	M	White- British	No	Yes	yes
Helen	>16<30	39	F	Black British- African	No	Yes	No
Benjamin	>16<30	43	M	White and Black African	No	No	Yes
Abdo	Variable	64	M	Black British- African	No	No	No
Dilek	Variable	45	M	Black British	Yes	Yes	No
Charlotte	>16<30	35	F	White- British	No	Yes	No
Rebecca	>16<30	-	F	-	No	No	Yes
Agatha	<16	64	F	White- British	No	No	Yes



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