

# **On the receiving end:**

**perspectives  
on being  
out of work  
and claiming  
benefits**

**CHILD  
POVERTY  
ACTION  
GROUP**

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**Sharon Wright and Tina Haux**

**CPAG policy briefing: July 2011**

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CPAG promotes action for the prevention and relief of poverty among children and families with children. To achieve this, CPAG aims to raise awareness of the causes, extent, nature and impact of poverty, and strategies for its eradication and prevention; bring about positive policy changes for families with children in poverty; and enable those eligible for income maintenance to have access to their full entitlement. If you are not already supporting us, please consider making a donation, or ask for details of our membership schemes, training courses and publications.

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The Baring Foundation



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# Preface

This research is published as the latest Welfare Reform Bill is moving through Parliament. Although the government is presenting its programme of welfare reform as radical and new, it comes in the wake of a raft of consultations, reports and legislation implemented by Labour between 1999 and 2010, all of which focused on improving in-work support. More claimants now face benefit sanctions if they fail to seek paid work and this increased ‘conditionality’ affects their ability to access benefits and the support they need. This, despite the measurable success of Labour’s own voluntary programmes, such as the New Deal for Lone Parents.

The titles of the various publications introduced since 1999 encapsulate the belief that work is the best route out of poverty for everyone. In 1999, *A New Contract for Welfare: principles into practice* identified problems with a system that was ‘failing to provide security for those who cannot work’, ‘failing to encourage work for those who can’ and ‘failing to ensure support goes to the right people’. In 2002, the Department for Work and Pensions launched the *Pathways to Work: helping people into employment* consultation, outlining a ‘comprehensive package of new measures’ which Secretary of State Andrew Smith was keen to stress would ‘encourage’ and not ‘force’ people into work.

Since then, consultations have flowed fast and furious, and include *A New Deal for Welfare: empowering people to work* in January 2006 and *Reducing Dependency, Increasing Opportunity: options for the future of welfare to work*, David Freud’s controversial report for the Department for Work and Pensions in March 2007. Of all the documents, this is perhaps the most revealing. Stripped of the wider social analyses which had previously tempered the presentation (if not necessarily the outcomes) of Labour government initiatives, it outlined a much tougher response to a ‘can work, won’t work culture’, involving ‘substantial change for the government, external providers and claimants’. The unseemly haste with which the Freud report was delivered and implemented (which was at odds with its directive that it ‘would take an extended period to test and implement’) generated considerable disquiet among many child poverty commentators – CPAG included.

The Freud report was followed in July 2007 by *In Work, Better Off: next steps to full employment*, then *Ready for Work: full employment in our generation*, published on 13 December 2007 (which included the requirement that ‘lone parents with older children, who are claiming benefits and who can work, will have to actively seek work’). This was followed in July 2008 by the Green Paper *No-one Written Off: reforming welfare to reward responsibility*, which stipulated that ‘for those who are capable of working, there will be no right to a life on benefits. This is why we are committed to ensuring that conditionality is personal, appropriate and fair for every individual.’

The White Paper, *Raising Expectations and Increasing Support: reforming welfare for the future*, published on 10 December 2008,

implemented the Freud Report ‘in full’, including piloting his ‘invest to save’ proposal, where private and voluntary providers use future benefit spending to fund up-front investment to get more people back to work.

Finally, the Welfare Reform Bill 2009 imposed sanctions on those failing to seek work and extended them to other groups as a way of controlling behaviour, such as drug addiction. Although sanctions are not new within UK social security law, their extension into areas hitherto the territory of the criminal law set fateful precedents for the future.

The current trend in social security reform draws on policies formulated in the United States (from where the term ‘welfare reform’ has been borrowed). There, policy was designed to support – and compel – primarily lone parents into paid work. But while any success was as much due to new supports such as childcare, tax credits, child maintenance enforcement and the fair economic ‘wind’ that propelled more into paid work after 1996, an increasingly punitive ‘work-first’ approach was adopted. How does this experience translate effectively into the UK economic context today? And does it make sense for a UK government that purports to be committed to eradicating child poverty to draw so heavily on policies from a country where child poverty levels are now high and rising?

The evidence would suggest not. A huge body of analysis, research and ongoing evaluations of welfare-to-work programmes suggests that, even before the recession, there was cause for concern. And yet, far from moderating its approach in the light of evidence that raises concerns about cost-effectiveness and fairness, the coalition government is taking these policies further and faster, with potentially devastating implications for those vulnerable groups who are least able to work and most likely to incur benefit sanctions.

This timely report provides an overview of the key changes to the context within which advice and employment services are provided to benefit recipients, reviews wider research findings on welfare reform and – most importantly – draws on personal interviews with claimants and advisers with extensive experience of supporting claimants into work under previous regimes. Interviewees’ experiences of using and delivering services are placed within the context of a ‘welfare market’, in which large-scale privatisation of advice has been introduced.

This publication is an important addition to the substantial body of research on welfare reform. It flags up a number of issues for the government, providing insights into the impact of welfare-to-work policies on both claimants and advisers. Worryingly, the report questions the wisdom of the current government in taking policies put in place by Labour in a time of plenty significantly further in an economic context markedly different from the one in which they were first formulated. Not only does this ignore the body of evidence that questions their efficacy, it fails to draw on the direct experience of both those on the receiving end of policy changes and those implementing the reform.

**Alison Garnham**  
Chief Executive, CPAG

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# Executive summary

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## The study

The findings presented in this report are based on a small-scale exploratory study of users' and advisers' perspectives on the provision of advice and employment services to benefit recipients.

The aims of the study were to use literature and research evidence and to:

- ◆ understand users' experiences and views of different advice and employment services;
- ◆ investigate advisers' perspectives on the provision of advice and employment services for benefit recipients; *and*
- ◆ reflect on these perspectives in the light of welfare reforms (including the large-scale contracting out of employment services).

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## Chapter One: Introduction

This chapter outlines the focus and methods of the study.

There were two parts to the study.

- ◆ Sixteen in-depth qualitative interviews were conducted with adults receiving advice about benefits, tax credits and job seeking from different agencies.
- ◆ A focus group was held to explore the perspectives of advisers.

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## Chapter Two: The context of welfare reform

Radical welfare reforms are based on the assumption that 'work is the best form of welfare'. This chapter outlines the policy context of the research, drawing on key policy documents and research-based literature.

### Key findings:

- ◆ This chapter provides an overview of key changes to the context within which advice and employment services are provided to benefit recipients.
- ◆ The chapter considers whether a 'work for all' approach, formulated during a long and stable period of prosperity and a decade of low unemployment, will be effective in a different economic climate.
- ◆ It argues that the recent creation of a 'welfare market' forms an essential part of the context for understanding benefits and employment advice.

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## Chapter Three: **Experiences of welfare reform**

This chapter presents results from qualitative interviews with people who use a range of advice and employment services. Interviews were conducted in 2008, during the period of Labour-led reforms.

### **Key findings:**

- ◆ One of the major challenges while receiving benefits is trying to meet basic minimum personal and family needs on an insufficient income.
- ◆ The daily difficulties associated with coping without sufficient resources for basic necessities are particularly distressing for parents, because they create recurring anxiety about how to ensure that their children can eat or have essentials such as new shoes.
- ◆ The inadequacy of the basic level of benefits is also affected by deductions, such as for debt repayments. Even small additional expenses create unmanageable difficulties.
- ◆ Some interviewees were self-conscious about claiming benefits because they felt they might be viewed as unwilling to find paid work.
- ◆ Many interviewees were homeless or had housing problems. Many had a disability, severe and/or unpredictable ill health, major care demands or acute needs in multiple aspects of their lives.
- ◆ Support in looking for work is needed, but is not always a top priority for people in crisis situations.
- ◆ Despite severe and sometimes multiple barriers, all interviewees were looking for work – regardless of whether they were required to or not. They had a strong work ethic and realistic job aspirations.
- ◆ Looking for work on such a constrained budget is very difficult, and resources are not available to cover the expenses.

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## Chapter Four: **Experiences of receiving advice**

This chapter outlines the key dimensions of good and bad advice from a user's perspective.

### **Key features of good advice include:**

- ◆ a named person whom the interviewee considers to be competent, interested, trustworthy and helpful;
- ◆ the provision of personal advice and job support services;
- ◆ accurate assessments, with a recognition that intermittent and unpredictable health conditions make it difficult to assess whether or not it is appropriate to look for and take up paid employment;
- ◆ fast, accurate and effective processing of applications, and more transparent information about decision-making processes.

### **Key features of bad advice include:**

- ◆ uncertainty about who has provided which advice and why;
- ◆ unclear or confusing referral processes which result in uncertainty about whether the services are voluntary or mandatory, who has initiated them and why, or the implications of non-compliance;
- ◆ difficulties in establishing clear lines of accountability;
- ◆ inconsistent advice and lack of follow-up;
- ◆ confrontational advice which prevents, delays or inhibits access to entitlement and opportunities.

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## **Chapter Five: The views of advisers**

This chapter presents the results of a focus group interview with six key stakeholders representing the perspectives of frontline advisers in Jobcentre Plus and private and voluntary sector providers. It presents their views on the implications of welfare reform, for both user groups and for advisers and their organisations.

### **Problems with current policies:**

- ◆ Compelling people to look for a job when this is unrealistic for them is felt to be a risky strategy that could have negative outcomes.
- ◆ Introducing measures to encourage or compel lone parents and ill or disabled people to look for work is not grounded adequately in evidence from research and evaluation.
- ◆ Mandating people with mental health difficulties to undertake inappropriate or inadequate training could be potentially damaging.

Advisers suggested that policies should ensure that:

- ◆ high-quality affordable childcare is guaranteed before increasing the obligation for lone parents to seek paid employment;
- ◆ paid work should offer a genuine escape from poverty.

### **Problems with contracting out employment services for users:**

- ◆ delivery difficulties with offering impartial and accurate better-off calculations to benefit recipients;
- ◆ increased use of discretion in the delivery of sub-contracted employment services;
- ◆ possible risks to service quality.

Advisers suggested that the provision of employment services by the public sector, via Jobcentre Plus, could provide greater transparency, accountability and regulation.

### **The implications of welfare reforms for advisers:**

- ◆ Providing advice to benefit recipients about looking for work within a mandatory framework could generate anxiety and mistrust.
- ◆ Extending compulsion and focusing on reducing the number of people claiming particular benefits might create a 'conflict of interest'.

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## **Chapter Six: Conclusions**

This chapter summarises the main findings of a report which:

- ◆ outlines the difficulties experienced by benefit recipients and their range of experience of advice and employment services, including the dimensions of good and bad advice, from a user perspective;
- ◆ presents advisers' views on the impact (for service users, advisers and their organisations) of 'work-first' welfare reforms and the contracting out of employment services;
- ◆ raises concerns about the use of compulsory work-focused interviews and job-seeking activities for groups, such as lone parents and ill or disabled people, who are disadvantaged in the labour market;
- ◆ identifies possible problems with the delivery of advice and employment services including: cherry-picking; the lack of transparency, choice and accountability; the lack of innovation; and moving away from what is best for the user towards immediate job entry.

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## **Chapter Seven: CPAG policy conclusions and recommendations**

This chapter places the information provided in 2008 for this report into the context of more recent changes and proposals outlined in the Work Programme and Welfare Reform Bill 2011. It summarises the issues that have emerged since, outlines the recommendations emanating from the research and includes additional recommendations from CPAG.

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### **The current context**

- ◆ The number of children in in-work poverty fell between 1998 and 2004 but is now rising steadily, while poverty in workless households has fallen.
- ◆ Cuts to welfare spending – alongside instability in the labour market – is likely to increase both in-work and out-of-work poverty.

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## Latest developments

- ◆ The Welfare Reform Bill 2011 introduces a new benefit, universal credit, which the government argues will lift 350,000 children out of poverty and be a simpler system.
- ◆ However, CPAG believes that universal credit may inhibit access to work for some people, be complex to administer and will reduce the level of support available to claimants.
- ◆ CPAG is concerned about an increase in conditionality because: it is being adopted when support is being cut and appropriate, flexible jobs are more limited; the most vulnerable groups tend to experience benefit sanctions; and policies that punish parental behaviour damage children.
- ◆ The government is introducing ‘the biggest back-to-work programme since the war, helping millions of people get into jobs’. The majority of contracts have been issued to private sector firms.
- ◆ CPAG believes that reforming the social security system and introducing the Work Programme when resources to ensure successful implementation are limited will leave families at greater risk.

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## Recommendations

- ◆ Measures should ensure that routine movements in and out of employment do not create instability in income for vulnerable groups.
- ◆ Advice and support should recognise that some people face severe, complex, multiple or variable problems that render them unable to look for or take up employment in the short or medium term.
- ◆ ‘Escape routes’ from mandatory programmes are needed for claimants who may need support over long periods of time.
- ◆ Claimants with substantial caring responsibilities and those who are ill or disabled should not be compelled to attend work-focused interviews or to engage in job-seeking activities. High-quality advice and support should be available on a voluntary basis to all groups.
- ◆ Interventions should be developed to support employers in recruiting and retaining people who have a higher risk of being out of work.
- ◆ Evidence from this study, other research and the economic downturn demand a rethink of the UK approach to dealing with benefit claimants.
- ◆ Advisers in Jobcentre Plus and sub-contracted agencies need training, resources and tools to make accurate assessments to allow for a holistic diagnosis of difficulties.
- ◆ Funding should continue be made available for agencies providing impartial advice and support about benefits, tax credits and looking for work. This should also involve funding for advocacy work.

Since the late 1990s, successive UK governments have engaged actively in processes of welfare reform. A strong cross-party consensus has emerged for an approach that:<sup>1</sup>

- ◆ prioritises moving benefit recipients into employment; *and*
- ◆ increases the role of private and voluntary providers in delivering employment services.

These reforms, combined with the economic downturn (which has reduced employment opportunities), have highlighted the role of advisers in a range of agencies in supporting people to receive their benefit entitlements and find paid employment. In this study, we view ‘advice’ from a user’s perspective, to include any service providing information or assistance relating to benefits, tax credits or looking for a job.

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## The study

The findings presented in this report are based on a small-scale exploratory study of users’ and advisers’ perspectives on the provision of advice and employment services to benefit recipients. The aims of the study were to:

- ◆ understand users’ experiences and views of different advice and employment services;
- ◆ investigate advisers’ perspectives on the provision of advice and employment services for benefit recipients; *and*
- ◆ reflect on these perspectives in the light of welfare reforms (including the large-scale contracting out of employment services).

‘Advice and employment services’ was interpreted broadly from a user’s perspective to include any service that the interviewees had accessed to help with their benefit or tax credit claim or to help with looking for paid work.

The scope of the study therefore included everything from mandatory Jobcentre Plus services to in-depth user-initiated advice – eg, money and welfare rights advice, including advocacy. The logic of this approach was to understand the range of provision from the perspective of users in order to identify their views on key dimensions of the advice on supporting people to receive their benefit and tax credit entitlements and to look for work.

There were two parts to the study.

- ◆ Sixteen in-depth qualitative interviews were conducted with adults receiving advice about benefits, tax credits and job seeking from different agencies.

- ◆ A focus group was held to explore the perspectives of advisers.

### **Interviews with benefit recipients**

Sixteen interviewees were selected in order to represent a variety of experiences of different types of benefit (including jobseeker's allowance, incapacity benefit and income support), household type (including partnered and lone-parent families) and ethnicity (including people from black and minority ethnic groups). In addition, interviewees were selected to represent experiences of a variety of advice provision, including: statutory/mandatory advice given by Jobcentre Plus, private agencies under contract from the Department for Work and Pensions (DWP), voluntary agencies under contract from the DWP and independent voluntary sector agencies offering user-initiated services – eg, welfare rights advice.

Interviewees were selected as those benefit recipients using any type of advice or employment service. There was no intention to deliberately select interviewees who had complex or problematic cases. It is not possible to assess the extent to which interviewees' experiences were typical of benefit recipients in similar circumstances. In such a small sample, interviewees cannot be considered as representative of particular groups and it is not intended that the results be generalised to claimant or service-user populations. However, where the findings are supported by additional evidence, they inform more general recommendations. The purpose of this small-scale study was to provide an in-depth exploration of a range of experiences in order to identify issues of relevance to the development of advice and employment services for benefit recipients in policy and practice.

Interviewees were accessed through seven advice agencies – two were private providers and five were voluntary organisations. Permission was not granted to access interviewees through Jobcentre Plus, but all interviewees had experience of using this service (see Appendix One for full details of the type of agency from which interviewees had received advice). Interviews were conducted during 2008.

### **Adviser focus group**

The perspectives of advisers were explored during a focus group discussion held in London in 2008, with six stakeholders from a range of organisations working with disadvantaged or vulnerable groups (including lone parents, sick and disabled people, people with mental health difficulties and unemployed people). They included frontline advisers and representatives from different types of agency – including the private, voluntary and statutory sectors.

### **Ethics**

The research was conducted in accordance with ethical guidelines.<sup>2</sup> In order to ensure anonymity and confidentiality, the identities of research participants have been protected by using alternative names and by concealing details of the organisations used to access them.

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## Conclusion

This chapter has outlined the focus and methods of the study. The next chapter outlines the policy context of the research, drawing on key policy documents and research-based literature. The results of the study are then presented in Chapters Three to Five, first from the perspective of benefit recipients, then from the perspective of advisers. The concluding chapters summarise the main findings and outline implications for policy, practice and future research.

### Notes

- 1 For the coalition government proposals, see Department for Work and Pensions, *21st Century Welfare*, The Stationery Office, 2010
- 2 This research was conducted in accordance with the Economic and Social Research Council *Research Ethics Framework*, available at [www.esrc.ac.uk/ESRCInfoCentre/images/ESRC\\_re\\_ethics\\_frame\\_tcm6-11291.pdf](http://www.esrc.ac.uk/ESRCInfoCentre/images/ESRC_re_ethics_frame_tcm6-11291.pdf) and the British Sociological Association *Statement of Ethical Practice*, available at [www.sociology.org.uk/as4bsoce.pdf](http://www.sociology.org.uk/as4bsoce.pdf). The project was approved by the Department of Applied Social Science Research Ethics Committee, University of Stirling – see [www.dass.stir.ac.uk/research/ethics](http://www.dass.stir.ac.uk/research/ethics)

## The context of welfare reform

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### Introduction

Radical welfare reforms are based on the assumption that ‘work is the best form of welfare’.<sup>1</sup> On the one hand, rules for claiming benefits have been changed to make it more difficult to receive financial assistance from the state without also considering specified steps to look for employment. On the other hand, the provision of services has been fragmented, with greater opportunities for private companies and voluntary sector agencies to compete for government contracts to assist and support benefit recipients to find work. This chapter provides an overview of key changes to the context within which advice and employment services are provided to benefit recipients.

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### Work for all?

Recent ‘work-first’ changes to social security and employment services (see Table 1) are especially significant for people who are currently out of work and for those who are at risk of losing their job, but they also have implications for us all because they fundamentally redefine the rights and responsibilities between individuals and the state.<sup>2</sup>

Receiving financial support from the state when unemployed or unable to work (because of ill health, disability or time-consuming, unpaid caring commitments) is harder now than at any time in the last 60 years. This is because eligibility criteria for a range of benefits have been tightened, and claiming benefits has become more conditional on actively seeking work – backed by harsh penalties for non-compliance. Furthermore, benefit rates are paid at low rates (often inadequate to meet necessities<sup>4</sup> – and well below the poverty line), which are set to devalue over time.<sup>5</sup> The stated primary motivations for the cut-backs to the safety net between 2007 and 2011 have been twofold: unequivocal cost-cutting and a drive to tackle ‘welfare dependency’.<sup>6</sup>

Table 1:

**Key welfare reforms 2007–2011**

Year	Policy change	Contracted-out delivery?
<b>New Labour government</b>		
<b>2007</b>		
Welfare Reform Act	Designed to implement changes to: <ul style="list-style-type: none"> <li>◆ raise the employment rate to 80 per cent;</li> <li>◆ reduce the number of people claiming incapacity benefits by one million;</li> <li>◆ help one million older workers into employment;</li> <li>◆ move 300,000 lone parents into paid work.</li> </ul> Introduced employment and support allowance and the personal capability test.	
Freud Report, <i>Reducing Dependency, Increasing Opportunity</i>	Radical proposals for the large-scale marketisation of employment services.	Yes
Department for Work and Pensions <i>Commissioning Strategy</i>	Implementation of Freud's proposals to contract out large parts of employment services.	Yes
<b>2008</b>		
Employment and support allowance	Replaced incapacity benefit and income support on the grounds of disability and: <ul style="list-style-type: none"> <li>◆ made it harder to claim incapacity and disability benefits;</li> <li>◆ increased the job-seeking activity of ill and disabled benefit recipients.</li> </ul>	
Lone parents moved off income support and onto jobseeker's allowance	Increased expectations for lone parents to seek paid employment through the loss of income support when their youngest child reaches age 12 (later reduced in phases to 10, then seven).	
Flexible New Deal pilots	Replaced New Deal 18–24, New Deal 25+ and employment zones. Phased support delivered by private and voluntary sector agencies.	Yes
<b>2009</b>		
Welfare Reform Act	Established structure for the future abolition of income support. 'Progression-to-work' conditions for lone parents and partners of unemployed people. Extension of work-related activity for employment and support allowance recipients (except those in the 'support group').	
Flexible New Deal national roll-out	Replaced New Deal programmes and employment zones.	Yes
<b>Coalition government</b>		
<b>2010</b>		
Work Programme	Replaced Flexible New Deal as the mandatory route for job search support and training. <sup>3</sup> Introduced tougher sanctions.	Yes
Work for Yourself	Proposed programme to support self-employment.	
Work Club	Proposed network for sharing experiences of unemployment.	
Workfare proposals	Proposed community work scheme for those claiming benefits for two of the past three years.	
<b>2011</b>		
Welfare Reform Bill	Will introduce universal credit to replace means-tested benefits and tax credits for people of working age: <ul style="list-style-type: none"> <li>◆ harsh sanctions of up to three years without benefit;</li> <li>◆ a cap on maximum benefits per family;</li> <li>◆ new work obligations for partnered mothers.</li> </ul> A new personal independence payment will replace disability living allowance. Employment and support allowance to be reformed.	
Work Programme	Replaces Flexible New Deal as the mandatory route for job-search support and training, with tougher sanctions for benefit recipients and generous outcome payments for providers.	

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## Policy choices: 'work first' versus 'human capital development'

There are a number of policy options available to national governments. In the UK, along with the USA and Australia, policymakers have chosen a 'work-first' approach.<sup>7</sup> This means paying benefits at low levels, with high pressure to move directly into employment, often at the lower end of the labour market.

However, many comparable countries have adopted an alternative 'human capital development' approach.<sup>8</sup> This involves long-term investment in education, training, skills, health, wellbeing and personal development. It would also involve the development of better support mechanisms for *before* and *after* benefit recipients gain paid employment.<sup>9</sup>

There is ongoing debate about which strategy is more effective in the short and long term. The main risks of a 'work-first' approach include the following.

- ◆ It is ineffective in adverse economic conditions<sup>10</sup> when jobs do not exist locally for everyone who needs one.<sup>11</sup>
- ◆ Large proportions of benefit recipients end up 'cycling' or 'churning' between unemployment and temporary low-paid jobs, without advancement.<sup>12</sup>
- ◆ There is a lack of sustainable employment opportunities in local labour markets:<sup>13</sup>
  - ◆ 70 per cent of jobseeker's allowance claims are repeat claims;
  - ◆ job exit rates are of particular concern for lone parents, whose movement into paid employment is often unsustainable.<sup>14</sup>
- ◆ People continue to experience poverty, since:
  - ◆ in one in three cases, getting a job does not result in escaping poverty; *and*
  - ◆ 58 per cent of children (after housing costs) live with at least one working parent.<sup>15</sup>

There are also concerns that a 'work-first' approach may be particularly unsuitable for benefit recipients who are not immediately 'job ready' because they face substantial or multiple disadvantages.<sup>16</sup>

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## 'Work first' and child poverty

One of the stated aims of welfare reform is to reduce child poverty.<sup>17</sup> However, there have been serious concerns that the UK 'work-first' strategy cannot deliver this outcome.<sup>18</sup> Initial success in lowering child poverty rates between 1999 and 2007<sup>19</sup> stalled (between 2007 and 2009) before reducing to the lowest level in 25 years by 2011<sup>20</sup> in the wake of policies put in place during Labour's final year in office. However, such dramatic reductions reflect an exceptionally high starting level of child poverty. Substantial efforts are still required before the UK's position is altered significantly in international league tables.<sup>21</sup> Cuts to benefits and tax credits will lead to a sharp rise in child poverty.<sup>22</sup>

Although compelling people to look for and accept jobs regardless of their quality, suitability or sustainability can result in reducing the number of people claiming benefits in the short term,<sup>23</sup> it is unlikely to result in long-term reductions in child poverty.

In order for insecure paid employment to reduce child poverty, the 'work-first' strategy would have to be accompanied by protective measures, such as:

- ◆ high universal child benefits that do not fluctuate when parents move in and out of work; *along with*
- ◆ above-poverty minimum wages; *and/or*
- ◆ additional tax allowances or in-work tax credits that allow working parents to afford necessities; *and*
- ◆ above-poverty benefit rates for times when a deregulated labour market does not offer parents secure employment.<sup>24</sup>

The timing of these changes is significant because policies which were designed during a long and stable period of prosperity (a decade of low unemployment at around 5 per cent and of high employment, peaking in 2008 at its highest ever rate<sup>25</sup>) are being implemented in adverse economic conditions – ie, a global recession, with sharp rises in unemployment to levels unheard of for a generation. This raises serious questions about the ability of the dual strategy (of 'work-first' welfare-to-work combined with contracting out employment services) to deliver the stated intended outcomes of increasing the employment rate to 80 per cent, reducing the number of people claiming benefits, reducing child poverty and saving money through greater efficiency.<sup>26</sup>

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## Creating a 'welfare market'

The second part of the context for understanding benefits and employment advice is the recent creation of a 'welfare market'. For more than a decade, successive governments have increased efforts to contract out advice and job-matching services for benefit recipients. A decisive moment in these developments came in 2006, when investment banker David Freud was commissioned by the Labour government to conduct a review of welfare-to-work programmes and recommend changes that were reputedly intended to increase the employment rate (although this was already exceptionally high by historical and international standards<sup>27</sup>). Plans<sup>28</sup> for a large-scale privatisation<sup>29</sup> of advice services for benefit recipients were far-reaching and contentious.<sup>30</sup> Successive governments have been enthusiastic in their adoption of these market-based reforms<sup>31</sup> and, in 2010, Lord Freud was appointed as Parliamentary Under-Secretary of State for the coalition government, playing a key role in welfare reform.

In practice, the reforms (detailed in Table 1) mean that external agencies are far more involved in providing advice and employment services to benefit recipients on behalf of the government than ever before. This has significant implications for citizens who currently rely (or may in the future need to rely) on the state for financial support and advice when they are unable to work, advisers and delivery agencies (of all types, including those newly sub-contracted, as well as Jobcentre Plus).

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## Conclusion

Substantial welfare reforms have made it increasingly difficult to claim benefits and have changed the way that support is offered to benefit recipients. The next chapters explore the views of benefit recipients and advisers on advice and employment services.

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## Experiences of welfare reform

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### Introduction

One of the consistent goals of a series of welfare reforms has been to stimulate job entry, primarily at the lower end of the labour market. The ‘work-first’ approach, adopted by successive UK governments, appears to be based on two important assumptions:

- ◆ ‘work is the best form of welfare’;<sup>1</sup> and
- ◆ so-called ‘welfare dependency’ is a key problem that policies need to address – ie, that without coercive intervention some people would choose not to work or may have somehow lost the ability to access employment.<sup>2</sup>

This approach presents moving off benefits and into employment as neutral and beneficial for recipients, employers, the state and wider society.<sup>3</sup> In addition, contracting out the delivery of benefits and employment advice has changed the way in which the state interacts with citizens in need.

This chapter is the first of two presenting results from qualitative interviews with a small group of people who use a range of advice and employment services, and examines their experiences of being out of work and receiving benefits. Interviews were conducted in 2008, during the period of Labour-led reforms (see Chapter Two). Understanding this experience provides the context for understanding the interviewees’ use of advice services and allows for reflection on welfare reform strategies and the move to increase the outsourcing of employment services from Jobcentre Plus to private contractors and local providers.

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### On the receiving end: the reality of being out of work and claiming benefits

Interviewees’ experiences of using advice and employment services were affected considerably by the experience of being out of work and claiming benefits. The predominantly ‘work-first’ orientation of UK employment services seems largely to assume that benefit recipients lack paid work because of individual motivational failings. However, the evidence from this study does not bear this out. In fact, on the contrary, all the interviewees had experienced difficult life events, which had left them with no other alternative but to rely on the state for financial support in order to meet their own and their family’s most basic needs. Coming to terms with not being able to realise their choice to support themselves through paid employment was one significant aspect of the emotionally demanding task of ‘getting by’ in daily life.<sup>4</sup> For many of the

interviewees, paid employment was simply not currently a realisable option because of a lack of employment opportunities, the severity of their own or their children's health conditions, the magnitude of caring responsibilities or the inadequacy of their housing situation. Many of the interviewees were in very vulnerable situations and had reached a crisis point in their lives before claiming benefits. The lived reality of claiming benefits was characterised as a demanding everyday struggle to make ends meet and to cope with challenging life situations.

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## The impact of poverty

For those interviewed, one of the foremost challenges of daily life while receiving benefits was the impossible task of repeatedly having to attempt to meet basic minimum personal and family needs on an insufficient income. The constant and unyielding experience of poverty overshadowed the daily lives of those in the study. This experience of poverty among benefit recipients is widespread and well documented in a body of rigorous research spanning half a century.<sup>5</sup>

Poverty is a common experience for benefit recipients in the UK because, unlike in many other comparable countries,<sup>6</sup> benefit rates have never been set at a level to ensure an adequate income.<sup>7</sup> In fact, benefits became worth less after they were made taxable and as a result of the change (under the Thatcher governments of the 1980s) to their annual uprating (linking them to prices rather than earnings). These changes created ongoing conditions for the year-on-year devaluation of benefits, which worsened in 2010.<sup>8</sup> Interviews with service users confirmed this well-established knowledge of a continuing unresolved situation:

*'They think it is enough but it is not. Every two weeks – the money, the money is not enough, by the time you pay bills, and you can't really depend on it for long.'*

Dev, disabled parent

The daily difficulties associated with coping without sufficient resources for basic necessities was particularly distressing for the parents in the study because it created recurring anxiety about how to ensure that their children could eat or have basic essentials such as new shoes:

*'Everything, every penny, you count. I lost my pride... How can you save up with £80 a week? You can't! You borrow money to survive... Before I call a friend I think about it so many times. I cry, but I have no choice but to ask for assistance... I worked 17 years... It's not like someone who just wants to sit and get the benefit... It's not my fault. I want to work... The system is appalling.'*

Janet, disabled, homeless lone parent

This is of direct relevance to benefit recipients' experiences of advice services because, at the point of intervention, service users feel the reality of being subjected to sub-standard living conditions. This informed their view of the terms on which they engaged with the services provided and initiated by the state.

## Confronting the inadequacy of benefits

The limitations of state financial assistance and support for people out of work were a shock to many of the interviewees, who were living in a state of crisis (see Appendix One for details of which benefits were being claimed). For example, one interviewee was taken aback to discover the lack of financial support available to her when she lost her job:

*'Had you told me that earlier in the year, had I known, had I known that I would be made redundant, but then there is nothing for me to fall back on... whichever way you look at it I am, I am really being had.'*

Miriam, lone parent

For many, coming to terms with the reality of claiming benefits was an exercise in the acceptance of being subjected to state-organised, publicly endorsed injustice. A major aspect of receiving advice involved confronting this reality. The suffering that this caused was experienced as disempowering and, for some, deeply humiliating:

*'It was just really, really difficult and I just felt, you know, that I just didn't matter.'*

Dave, unemployed man

The meagreness of the financial assistance offered by social security was associated with feelings of being devalued, particularly when people suddenly realised that the reciprocal system to which they had contributed faithfully over years of employment failed them when they needed to make a claim on it.

## Added financial pressure

The inadequacy of the basic level of benefits was also affected by deductions, such as for debt repayments (sometimes incurred as a direct result of the inadequacy of benefit levels for meeting basic needs<sup>9</sup> and, in an individual case, related to a past overpayment of tax credits). Some of the lone parents interviewed had increased financial hardship because their ex-partners had not paid the child maintenance that was due to them.

Several interviewees had experienced distressing situations associated with not receiving their full benefit entitlement – eg, as a result of mistakes or problems in benefit or tax credit administration. These situations were experienced as very stressful and affected some interviewees' ability to look for work effectively, especially when combined with other demanding tasks (such as caring for a disabled child or coping with health difficulties). Even the smallest of additional expenses created unmanageable difficulties. One unemployed man broke his leg and had to buy bandages for his dressing:

*'Bandages are about £2 per pack. I was using three of them each time I changed. It was about £35 a week and I was getting £45 a week income support.'*

Pete, unemployed man

## Stigma

Several of the interviewees felt self-conscious about claiming benefits because they felt others might view them as unwilling to find paid employment:

*'We are stigmatised. Even my son comes home and says, "We are poor because you haven't got a job", and I think, well no actually, it's not quite as simple as that... I don't like the idea that I am being stigmatised and far more so than in the past that I'm being denied doing the one thing that I should be allowed to do for a few more years and that is look after my children and without hardship and poverty, with some kind of dignity.'*

Miriam, lone parent

Some interviewees also worried about stigma in relation to disability or health conditions.<sup>10</sup> Although keen to look for work, some felt that disclosing their health condition or disability could leave them open to unwelcome interventions from the authorities or could disadvantage them when looking for work because of employer discrimination:

*'I would prefer people didn't know... I wouldn't like people to know about my history.'*

John, disabled non-resident parent

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## Vulnerable people in precarious situations

In addition to the typical experience of hardship as a result of living in poverty (see Appendix One), many of the interviewees were living in very vulnerable situations, experiencing a range of precarious living arrangements, homelessness or severe housing problems (nine of the 16), disability or severe and/or unpredictable ill health (nine) or with major care demands (10). Eleven of the 16 interviewees had acute needs in multiple aspects of their lives.

For example, Gary is a disabled parent. His own experience of depression and insomnia affected his ability to support his wife, who has tuberculosis, and their three young children. Gary's attempts to look for work were affected by his health, but were also limited by the extent of his time and energy that had to be committed to attempting to resolve an acute housing problem. The family's need to be re-housed dominated their lives.

For administrative purposes, people were processed according to categories of need (eg, lone parent, unemployed, disabled), but this masked the severity, complexity and unpredictability of real-life situations. Interviewees used a lot of energy and skill in managing difficult living conditions. Their experience was that welfare-to-work policies and frontline advice services were not designed to take this adequately into account.

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## Janet's story

### When the desire to work is not enough

Janet is a lone parent with disabilities who cares for both her son and her mother with dementia, while trying to find a job and secure stable housing (she lives in temporary homeless accommodation). Janet's experience of insecurity, poverty and debt is very stressful and has been worsened by her ex-husband's non-payment of child maintenance. Janet is claiming incapacity benefit.

The severe pressures created by her situation makes Janet feel 'broken' and powerless.

Living conditions like these cannot be easily solved simply by the main potential earner of the household gaining paid employment (potentially insecure in nature). Precarious living conditions could be prolonged over several years. Indeed, Janet and her son have been housed by their local authority in 'temporary' accommodation for three years.

*'I have got to feel secure myself to help my son and help myself. But it is very hard at the moment. It is very difficult and neither the Jobcentre nor the [private provider] are giving any light at the end.'*

*'It's a lot of a load... I am in temporary accommodation. The rent is £1,200 per month... I am a woman that wants to go to work. I want to get a job. But I am so scared because if I go, when I get a job, I am going to be depressed because of all that money I have to pay. And he [personal adviser] said, "Well, you know it all. We can't do anything about that." So I left the Jobcentre again with another brick of the wall piling up in front of me.'*

*'So now, I am in a situation where I am looking, trying to find a part-time job. I am saying to the government, "Hear! Hear! Listen to me! I want to get a job. I don't want your benefits! I don't want them!" I want to get my job and lead my life.'*

*'The government has contracted these companies... who are basically to help you, trying to talk to you psychologically. But when it comes to the concrete realistic fact of getting a job, there isn't any. Plus are we going to forget that we are in a huge recession at the moment, although they were saying it is transparent? ... I am crying, "Help me", but wherever you turn it is like a wall.'*

People in these circumstances need immediate support to resolve their most urgent needs – eg, financial, housing or ill health. For example, Ruby, a lone parent, was evicted by her landlord after two months without heating or hot water and was then housed in a hostel. Support in looking for work was needed by the interviewees, but could not always be the top priority for people when they found themselves in crisis situations:

*'I was nearly homeless. I had no food, no money to pay rent or anything like that and I was getting no support but a smarmy sort of expression by someone working in Jobcentre Plus.'*

Dave, unemployed man

## **Mary's story**

### **Looking for work in an unpredictable situation**

Mary is a disabled, homeless woman. She has several areas of her life in flux (housing, employment and health) and is not able to control any of them fully. She is involved with a range of officials from a number of diverse agencies.

*'It wasn't easy... I was living in and out of supported accommodation, I mean not easy at all. I wasn't able to, sort of, you know, I was in and out of work. I wasn't really able to, sort of, I was on medication at the time, which didn't help my behaviour, you know, I wasn't, sort of, like a lunatic or anything like but you know, it's kind of like a very, I mean I obviously knew about it. I knew myself. It is very difficult to deal with taking medication and stuff. Like with all drugs, it is not nice.'*

Fundamentally, not being able to control her ill health has left Mary at the mercy of the side effects of her medication and, at the same time, in an unstable housing situation.

*'You are relying on it to help your brain function properly. That is not very nice.'*

Although Mary was looking for work at the time of interview, sustaining independent living is not a realistic option.

## **The struggle to cope**

Some people who were being encouraged to work struggled, unsustainably, at the margins of being able to cope with everyday life, even without looking for work. This struggle to 'get by' could last a short time for some, while they dealt with distressing life events, but, for others, a state of crisis continued for prolonged periods of months, years or even decades.<sup>11</sup> The policy choice to ensure that being out of work means living in poverty (by paying benefits at inadequate levels) means, in practice, escalating hardship and highly pressurised living conditions, which some interviewees found overwhelming:

*'It's like a fight with a huge monster. And you are always scared that you are buried alive again. Sometimes I can't breathe when I think about it. It's like reaching for help and you can't even feel the tips of the other fingers touching you. Sometimes all that confidence, all that I gained... it's like swallowing me.'*

Janet, homeless, disabled lone parent

The emotional toll of coping with acute difficulties and unpredictable situations, which sometimes changed rapidly, could crowd out the capacity for taking action, particularly where the best course of action was uncertain.

Similarly, one interviewee had unpredictable working hours, which meant irregular earnings and frequent changes to benefit and tax credit entitlement. Household outgoings did not decrease when income dropped and this resulted in debt for some interviewees. The difficulties of moving between being out of work and having low-paid employment have been documented in other studies.<sup>12</sup>

The parents in the study were desperate to ensure that their children had better lives. Here, the inadequacy of benefits made it impossible for parents to give their children the best chance to improve their employment prospects through education. Janet's primary concern was the wellbeing of her son. She was determined that he should succeed in his studies so that he could have a better future, but had to borrow money from a friend for his physics tuition. The emotional toll of having such precarious finances was clear:

*'I went through a hard time, crying nights. My son has a very difficult situation... He has to succeed in his study.'*

Janet, homeless, disabled lone parent

Many of the interviewees were severely affected by their ill health or disability. In practice, this could impede their ability to communicate with advice organisations, other agencies and employers. In these circumstances, interviewees found it difficult to navigate the different requirements and influences of agencies charged with intervening in their lives. A range of agencies sought to influence users' behaviour and choices, not necessarily in compatible ways.

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## Looking for work

Despite the very severe and, in many cases, multiple, barriers facing them, all the interviewees were looking for work – regardless of whether they were required to or not. Interviewees had a strong work ethic and realistic job aspirations. They were out of work involuntarily, and their reasons for being out of work were specific and legitimate.

Interviewees expressed frustration at the process of looking for work. This primarily concerned the difficulties of looking for work and not being able to find any, and was compounded by both the practices of employers and the design of benefit administration processes.

Unemployed interviewees felt powerless when they applied for jobs, but did not have their applications acknowledged by employers and were not informed about the outcome. This left them hanging on, waiting for news that never came.

### **Cost of job search**

Looking for work on such a constrained budget was very difficult and resources were not available to cover the expenses (eg, Janet had been declined reimbursement for the cost of attending a jobs fair). Some of the interviewees had identified realistic education and training goals that would have increased their employability, which they were not able to take up because resources were not available.<sup>13</sup>

Another frustration felt by some interviewees was in making repeated job applications, but nonetheless feeling as if Jobcentre Plus treated them as though they were not actively seeking work. This perverse situation had an emotional impact on several of the interviewees, who felt that they were being punished unjustly:

*'It is not my fault that I am unemployed, you know. I applied for far more jobs than they expect you to... I have been at university for nine years, reached an academic standard and I want to make something of myself.'*

Dave, unemployed man

### **Barriers to work**

Several of the interviewees identified implications of current arrangements, including prejudice, which created barriers to them looking for, finding and taking up full-time work:

*'I am only disabled to the point that it would probably be very difficult for me to get another job. Not because I couldn't do it, but because of other people's prejudices.'*

Sandy, disabled woman

The cost of childcare was a particular concern for lone parents such as Jasvinder, who had been unable to take up a training course because of the expense of childcare and travel.

Some interviewees were worried about beginning to look for employment because of concerns about the consequential loss of benefit entitlement.

For one young male interviewee, the high cost of his temporary homeless accommodation presented a barrier to him accepting a job with low pay.

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## Conclusion

Financial hardship and daily struggles epitomised the interviewees' experiences of living on benefits, and affected how they felt about receiving advice and assistance about benefits and looking for work. For many, acute unmet needs in several aspects of their lives severely limited the possibility of moving directly into paid employment in the short term.<sup>14</sup> There is scope for further research into the prevalence of these sorts of complex, severe and multiple difficulties among claimant groups. For the interviewees in this study, there was a need for provision that could support them in stabilising their living conditions before they could secure or retain paid work, despite their strong personal commitment to this course of action.

This experience demonstrates a need for advice services that acknowledge the severity of the problems experienced by some benefit recipients and to recognise that, rather than being unwilling workers, those seeking advice can be vulnerable people in need of a great deal of support over long periods of time, perhaps spanning several years or even decades.

The next chapter outlines the ways in which interviewees sought advice and employment support, and explores the dimensions of good and bad advice from a user's perspective.

### Notes

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## Experiences of receiving advice

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### Introduction

This chapter presents results from qualitative interviews with benefit recipients who were using advice and employment services, offered by a range of organisations.

### From whom did benefit recipients seek advice?

This study sought to explore the experience of advice and employment services from Jobcentre Plus (statutory/mandatory), private agencies under contract from the Department for Work and Pensions (DWP), voluntary agencies under contract from the DWP and independent voluntary sector agencies offering user-initiated services, such as welfare rights advice.

All the interviewees had experience of various types of advice and employment services. This included advice and employment services from across the full range of provision, as well as a much broader range of agencies (see Appendix One), including advice provided by mixed-sector agencies, housing associations, health professionals, local authorities, the tax credit helpline, Connexions and an MP. The type of employment and benefits advice accessed included a wide range of type and size of organisation.

This reflects the complexity and fragmented nature of formal advice services, ranging from the statutory advice given by Jobcentre Plus, through a series of employment agencies delivering advice under DWP contracts, to professionals in different fields (eg, healthcare professionals and housing support workers), who played a more hidden role in advice and support with benefits and looking for work, and small and diverse independent voluntary sector organisations. Some interviewees also used informal contacts as an alternative to formal services because they felt that their friends and family would offer more independent advice that could be trusted to be in their own best interests.

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### Views about advice and employment services

The interviewees held varied views about the wide range of advice (see Appendix One) they had experienced. Overall, there were no clear signs of consistent preferences for particular ‘types’ of organisation or service. This was at least partly related to the diversity of existing advice services. While some of the interviewees distinguished clearly between the different types of agency they received advice from, others seemed to be confused by the remit and powers of the range of agencies with which they had contact.

## Uncertainty over fragmented provision

Several interviewees were uncertain about who provided them with which advice and why. However, interviewees generally understood the nature of the advice given by Jobcentre Plus.

Referral processes were not always clear to users, who could be uncertain about whether the services were voluntary or mandatory, who had initiated them and why, or the implications of non-compliance. Some interviewees had a number of different 'experts' who intervened to varying degrees and in different ways in their lives. This variety of intervention was sometimes bewildering and has significant implications for transparency and accountability.

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## The dimensions of good and bad advice

Interviewees identified key features of good and bad advice (see Table 2). These can be understood as a continuum, and several dimensions were inter-connected. Interviewees had experiences at both ends of the continuum. Good advice was found to be invaluable in accessing entitlement to benefits and tax credits and for helping to find training and paid employment. On the other hand, interviewees had had very bad experiences of some services and advisers.

The embodiment of the good adviser was a named person whom the interviewee considered to be competent, interested, trustworthy and helpful. Good advisers, like bad advisers, could be found in any organisation. However, the conditions that promoted good advice (eg, a pleasant, reassuring and calm environment offering flexible assistance and long appointments) were resource-dependent and policy-specific – eg, voluntary appointments at times to suit the user and flexible support to deal with user-defined needs were less likely to be available within a mandatory welfare-to-work framework.

Table 2:

**Key dimensions of good and bad advice from a user's perspective**

<b>Good advice</b>	↔	<b>Bad advice</b>
<b>Treatment</b>		
Respect and dignity		Disrespectful treatment, 'othering'
Sympathetic, attentive, listening		Cursory, disinterested, routine processing
Understanding		Lack of understanding or appreciation of the real-life situations and challenges facing the user
Truly personal service based on in-depth and holistic knowledge of the person and her/his circumstances		Impersonal treatment of fragmented issues, without appreciation or engagement with other needs
Helpfulness		Unhelpfulness, uncooperativeness, obstructive, pressurised and stressful interpersonal dynamics
Trust		Mistrust
Empowerment, being in control		Disempowerment, being deprived of control over process, content and/or outcome of advice, feeling exploited
Accurate assessment of conditions and needs		Inaccurate assessment, due to lack of expertise or absence of assessment tools
Quick, accurate and effective processing of applications for benefits or tax credits		Difficulties with receiving entitlements (eg, non-payment, mistakes, delays and recovery of overpayments), lack of information about decision making
Accountability		Lack of transparent accountability processes or outcomes
<b>Assistance</b>		
Direct assistance with immediate needs, as defined by the user – eg, form-filling, CV writing, training, links with employers and genuine, suitable job vacancies		Lack of appropriate, meaningful or useful support Problems – eg, inappropriate obligations or expectations
Flexible and responsive help		Application of pre-specified standard procedures, regardless of user's needs, experienced as irrelevant or futile
Making sense of complex and confusing situations		Lack of engagement with barriers, over-simplification of experiences and recommended action
<b>Appointments</b>		
Long interviews, at times to suit the user, with enough dedicated time to speak unhurriedly on a confidential one-to-one basis		Short, cursory, rushed or partial interviews Fixed appointment times, which cannot be changed even with good cause, with threat of sanction for non-attendance Being made to wait, sometimes for very long periods of time
Voluntary		Mandatory, especially where compulsion is unnecessary (ie, for those keen to work, already taking active steps of their own accord), which can be experienced as degrading
<b>Adviser</b>		
Continuity of adviser		Variation in adviser, lack of regular contact person, meaning complex and changing situations have to be explained multiple times – at the user's cost for phone services
Consistency of advice		Inconsistent or conflicting advice
Follow-up action		Lack of follow-up, to understand how situations have developed, to appreciate the outcomes of user action or adviser failure to take promised action – eg, to email user details of job vacancies
Effective help, based on competence, knowledge and expertise		Lack of appropriate knowledge (eg, about benefits and/or jobs), incompetence, inexperience, lack of specialist expertise
Advocacy and representation to realise rights and maximise access to benefits and job or training or support services and opportunities		Confrontation, inaction or action that prevents, delays or inhibits access to entitlements and opportunities

The following sections explore each of these dimensions in greater depth, illustrating key issues and best practice with evidence from interviewees' experiences.

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## Treatment

### Dignity and respect

A key factor in how useful interviewees found advice was the extent to which they were treated with dignity and respect. Interviewees appreciated being treated 'like a person, an intelligent person' (Dave, unemployed man). Users felt demeaned by being treated rudely, disrespectfully or with condescension. At its worst, this meant being 'othered' – ie, being treated as different and inferior.<sup>2</sup> For example, one interviewee reported being treated as if she were 'a different species...They [Jobcentre Plus advisers] think you are incompetent' (Sandy, disabled woman).

### Sympathetic, attentive listening

Being listened to was a very important aspect of good advice for the interviewees. Advisers were especially appreciated if they took time to give their full attention, and to listen carefully and sympathetically to absorb and make sense of difficult situations. Unfortunately, a number of interviewees had negative experiences:

*'They [Jobcentre Plus] don't really care what I'm trying to say. It really doesn't matter what you're saying.'*

Jasvinder, lone parent

### Understanding

Several interviewees reported having experienced a lack of understanding or appreciation of their needs and the challenges of being out of work and living on benefits while being disabled, having a health problem or dealing with the demands of bringing up children. This could result in them feeling as if no-one accepted responsibility for problems or cared enough to help resolve them.<sup>3</sup>

In contrast, there were reports of understanding advisers, who had been helpful:

*'It [voluntary agency] was very helpful indeed, you know, just helping me with exactly what benefits were around and then telling me exactly where to go to find benefits and to find out about these benefits and everything... I think they understood me very well.'*

Mary, disabled homeless woman

Some interviewees had more fundamental difficulties in being understood because of language difficulties (especially if English was a second language), literacy issues or anxiety-related mental health conditions that presented challenges for communication in formal settings (especially if there was pressure of tight time limits or strong obligations).

## Truly personal and holistic

Many interviewees reported a need for truly personal advice and job support services. This was evident in some interviewees' descriptions of impersonal dealings with advice agencies, particularly mandatory services, especially in relation to call centres (where interviewees had found staff reluctant to give even their name or to agree to speak to them again). This could result in very fragmented and inconsistent treatment that did not engage with real needs. In addition, interviewees had to deal with multiple organisations in order to resolve their financial, housing, employment, health and family needs.

There was a desire for a truly personal service, in which a named individual would gain an in-depth and holistic knowledge of the person, her/his needs and previous outcomes of chains of actions and experiences. That knowledge would then form the basis of appropriate support to meet needs – shaping the service to meet needs, rather than shaping the person to fit the service:

*'This is affecting my life. Look at me as a whole, because I am not being treated as a whole. I am being treated as little bits and not very well.'*

Miriam, lone parent

It is possible that holistic services might offer more cost-effective, sustainable and effective long-term solutions to balancing people's health and care needs with enabling and sustaining paid employment.

The most common experience of advice was of Jobcentre Plus offices that interviewees said offered only minimal services directed at immediate job entry (regardless of quality, suitability or sustainability) and benefit processing, without access to, for instance, newspapers, computers or telephones to help with job search. In contrast, there was significant support for private agencies that offered a holistic approach that integrated job seeking with broader 'wellness' services. This included free access to voluntary activities – eg, a walking group, fitness classes, a gym, wellbeing therapies for relaxation, and pain management classes. The minority of interviewees who used these services viewed them as invaluable and saw the organisation as professional and well organised.

## Helpful

Interviewees said they appreciated advisers who were helpful and friendly. On the other hand, several interviewees said that they had experienced advisers who had been unhelpful, uncooperative or obstructive when they were trying to apply for benefits, tax credits or look for work. Interviewees reported pressurised and stressful interpersonal dynamics in some services, which were counterproductive to securing adequate income (through benefits, tax credits or paid employment) or to ensuring wellbeing.

## Trust

Interviewees varied in the extent to which they trusted services and advisers. For example, one interviewee said:

*'I feel like I can trust them [private provider]. Because of what they've told me they can do; what they're going to do when I do get a job. That they're there to help me. They don't just let you go because you've started work.'*

Alison, disabled lone parent

In the worst cases, users did not know who they could trust or believe to give them information that was correct and in their best interests. In mandatory services, the consequences of misinterpreting the information given by advisers could have very significant consequences – eg, potential benefit sanctions.

## Empowerment and control

Most of the interviewees indicated that they lacked control over their life circumstances and in their dealings with some advice agencies (including the content of advice, the options on offer, the process and its outcomes). Feelings of disempowerment were common. None of the interviewees had chosen the circumstances leading up to being out of work and claiming benefits. Many found their situations distressing and all were keen to find employment. Some had experienced an almost complete loss of control over the main areas of their lives. Some felt exploited. Despite this, there were examples of advice (particularly from the voluntary sector) where users felt 'in control'.

## Accurate assessment

Several of the interviewees spoke of difficulties they had experienced in the assessment of their health and housing needs. Interviewees reported problems that were related to the design of systems, and misjudgements or mistakes by advisers (for instance, in considering one interviewee as ready for work when she was subsequently hospitalised) or in benefits processing – eg, very lengthy delays and loss of an educational certificate. It is important to recognise that for some interviewees, malfunctioning of the benefits or tax credits system was the source of the problem for which advice was being sought. This issue is related to complexities or anomalies within the social security system – eg, choices that were made without understanding the knock-on consequences of loss of entitlement.

Intermittent and unpredictable health conditions made it difficult to assess whether or not it was appropriate to look for and take up paid employment. In these circumstances, decisions about the best course of action could be difficult to make, since it was not possible to predict how health conditions would change and how they would be affected by moving in and out of employment:

*'Sometimes my health is fine and other times I'm not too good. I don't like to go on about it, you know. But there's times when I don't feel like I could do a full day... I have weeks when I don't feel great... I'm still finding it difficult'*

*finding the right job... Because it does mess about with benefits... I mean, they talk about it all the time, 'Oh, there's more flexible hours today, people can, you know with the children and childcare'. But I don't see these jobs.'*  
Alison, disabled lone parent

The issues surrounding the need for accurate assessment were important for all interviewees, but were crucial to those with health needs, coming into sharp focus for those with mental health difficulties.

### **Fast and correct processing**

Claiming benefits and tax credits was not necessarily straightforward or easy. Several interviewees had experienced mistakes and delays in the processing of their benefit or tax credit claims, which had a significant detrimental impact on their wellbeing. Responding to these difficulties was something that a number of interviewees wanted advice about. In the case of Pete (an unemployed man), a minor administrative error led to bailiffs wrongly being sent to his home to reclaim money that he did not owe.

The dynamics of the adviser-user relationship were also affected in situations where there were difficulties in payments being administered. This was especially difficult for those who already had severe housing problems or who were homeless.

There was a need for fast, accurate and effective processing of applications for benefits and tax credits and more transparent information about decision-making processes.

### **Accountable**

Several of the interviewees had experienced difficulties in establishing clear lines of accountability in the advice services they used. Those who did know what to do if they received poor quality service were reluctant to take action, either because they did not believe that it would result in resolution of their difficulty or because they could not find a named individual to contact.

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## **Assistance**

### **Direct and meaningful assistance**

Some interviewees were shocked and frustrated by the limitations of the advice and support services for benefit recipients and for job seeking. Several did not find the minimal assistance offered to be either meaningful or helpful.

It seemed that the advice and services that interviewees found most helpful were those that allowed users to express their own needs and responded with direct help:

*'She was a nice lady [housing association adviser]. She filled in the form for me... She is very helpful. She understands, when we talk, she understands*

*more... She will listen. She will sit down and she will talk and explain.'*

Ruby, lone parent

Even in the small sample of participants in this study, it was clear that there were a range of needs and priorities. Some interviewees, particularly those who had language, literacy or dyslexia-type difficulties, greatly appreciated direct help with completing forms (for benefits and job applications), which was a practice they had mainly found in the voluntary sector. On the other hand, there was demand from the highly qualified interviewees for more specialist advice for professionals, which they did not currently feel was being offered to them either by Jobcentre Plus or by any of the non-state providers.

### **Flexible and responsive**

There were examples of bad and inappropriate advice, services and training, which were considered to be irrelevant or futile because they did not offer what the user needed. For a minority of interviewees this meant being compelled to comply with empty processes, to attend inappropriate training, which was experienced as humiliating. In most of these cases, interviewees' bad experiences were of advice provided within a mandatory framework (either by statutory services, or sub-contracted to private providers).

The standardisation and inflexibility of administrative processes in DWP programmes meant that advice sessions were shaped to comply with pre-determined structures. For example, one unemployed man, Kevin, reported having his jobseeker's allowance sanctioned because he missed his signing-on time in order to attend a job interview that was held within the same Jobcentre Plus building.

### **Making sense of complex or confusing situations**

Several interviewees highlighted their relief at being able to speak to an adviser who could make sense of their situation and the complex and confusing array of paperwork that they had received. This included health, housing and benefit and tax credit arrangements that required specialist expertise. Making sense of complex situations also depended on the ability to offer long interviews at flexible times to suit the user. Without this, interviewees had experienced superficial and routine processing, which lacked engagement with the real barriers preventing them from taking up paid work and led to recommended action that was inappropriate or over-simplified. One example of this type of approach came from a money advice agency:

*'I was really wound up about it [money problems] and he [voluntary agency adviser] was really good. They just said bring everything in and we will sort you out and we will give you a nice long appointment. I think it was about two hours.'*

Sandy, disabled woman

Unfortunately, in many cases, these were not available (especially in the first six months of a benefit claim). Very short routine interviews created anxiety and did not allow opportunities for the type of calm listening,

understanding and responding that interviewees found most helpful in making sense of their situations before taking positive action. This difficulty was not restricted to the statutory sector:

*'They [large private provider] don't have much time for their clients because there are lots of people.'*

Dev, disabled parent

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## Adviser

### Continuity

Interviewees valued building up a relationship with a good adviser over time, so that this person knew their needs and understood how circumstances had evolved in relation to action taken. Some types of advice and information service did not aim to provide a regular contact person (eg, call centres) or did not do so because of high staff turnover. Several interviewees had negative experiences of having to explain complex and changing situations several times, sometimes at a financial cost for telephone services:

*'Every time I go [to private advice agency], I see a different person and they say they're going to do something about it, like check up the landlord and then they don't do nothing at all. Nothing at all... Some of them are no help at all.'*

Ruby, lone parent

### Consistency

Similarly, several of the interviewees had experienced inconsistent advice. This was usually as a result of contact with different advisers either within the same organisation or between different organisations. Interviewees had experience of different advisers recommending different strategies, leading to conflicting, overlapping or duplicated advice. This could be very confusing, particularly in relation to understanding entitlements, obligations and expectations. Some interviewees had received conflicting advice about whether or not they could or should return to work (eg, for health reasons) and, if so, for how long.

### Follow-up

Another related issue was a lack of follow-up, to understand how situations had developed, to appreciate the outcomes of user action or the failure of an adviser to take promised action:

*'You [Jobcentre Plus adviser] said you were going to email me if there was a job. You haven't.'*

Janet, disabled lone parent

## **Competence and expertise**

Interviewees identified adviser competence and expertise as crucial for the provision of effective help.

Interviewees appeared to need advisers with four main knowledge sets:

- ◆ benefits and tax credits (for effective claims, and in order to understand the short- and long-term impact of a return to work on income);
- ◆ supportive infrastructure for health, care (of self and others) and housing;
- ◆ techniques for finding a job (such as writing CVs, mock interviews and job searching);
- ◆ more specialist knowledge about particular jobs and careers.

Interviewees had a range of experience of receiving advice from advisers with varying levels of expertise. Some advisers were said to lack appropriate knowledge or expertise and were not competent to make judgements about their readiness for work or to assist them in taking action to improve their wellbeing. On the other hand, there was praise for advisers who had expertise in one or more of these areas.

Each of these fields of expertise is intricate, making it difficult for a single adviser to provide accurate and up-to-date information and advice for all the user's needs. Providing competent and expert advice to the most vulnerable people with multiple and complex needs is a challenge and one which the design of current services does not always facilitate. Interviewees had experienced agencies (often private employment support organisations working under DWP contracts) that were excellent at advising in one area (ie, looking for work) but could not comment at all on benefit or tax credit entitlement. This meant that when considering whether or not to apply for particular vacancies, interviewees did not have immediate access to information about how this would affect their entitlement to benefits (including council tax benefit and housing benefit) and tax credits, and whether or not they would be financially better off if they accepted the job. This made it difficult to know how taking a particular job would impact on their short-term and long-term financial situation.

This issue raises important questions about the extent to which job search support and vacancy matching can be separated from benefit and tax credit administration.

## **Advocacy and representation**

Interviewees had experiences of different types of interpersonal dynamics with advisers. In the worst cases, there were reports of advice encounters that had been confrontational or had prevented, delayed or inhibited access to entitlements and opportunities. In some cases, mistakes in benefit payments, sanctions or pressure to take inappropriate action meant that the user and adviser (in their role as organisational representative to the user) were positioned in opposition

to each other. Interviewees had more positive and effective experiences of advice encounters where the adviser treated them as an equal and worked alongside them.

The need for advocacy was highlighted by several interviewees, particularly in order to be ‘taken seriously’. Representation in legal matters and in dealing with debt, housing and benefit issues was seen as essential. Interviewees who had experienced discrimination (eg, homophobia in one case, prejudice against mental illness in another and employers’ negative attitudes towards lone mothers in a third) seemed to value advocacy particularly highly.

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## Advice environment

The conditions within which advice was provided were shaped by the policy context. For example, the type of advice provided by Jobcentre Plus was experienced differently from the type of advice provided by an independent welfare rights advice agency. This reflects the different purpose of the services accessed. Some interviewees expressed a preference for using services that were voluntary and could offer advice that was ‘in my best interests’, which related to finding work (and job matching) as well as advice about benefits and tax credits. Voluntary advice services seemed to allow for more of the highly valued aspects of effective advice, such as dignity and respect, user-initiated contact and flexible, responsive services.

Some interviewees felt that the mandatory framework of Jobcentre Plus and DWP-outsourced services affected the dynamics of the relationship between benefit recipients and advisers:

*‘They [Jobcentre Plus] have got that statutory role and that just colours the whole relationship.’*

Sandy, disabled woman

Although all the interviewees were keen to find work and had real reasons why they had not been able to get or keep a job, they reported being treated by personal advisers as if they did not want to work and could easily move into employment by following simple steps.

The use of penalties and incentives to encourage people to look for work seems to assume that those subject to them would not otherwise take the specified action. However, all the interviewees were already looking for work because they had a strong desire to provide for themselves and their families through paid employment. Some of the interviewees were distressed by the threat of sanctions while already doing everything possible to look for work. Some interviewees had experienced inappropriate compulsion. For example, Janet (a homeless, disabled lone parent) was mandated to attend an interview with a private provider from which she had already been receiving advice on a voluntary basis. Interviewees reported feeling frustrated when they were required to attend interviews that were not helpful in meeting their needs or helping them to find work.

## Independence

Similarly, the policy framework shaped the conditions for adviser-user relationships in relation to independence and interests. Independence was identified by several interviewees as an important aspect of good advice. The voluntary sector has a special role in offering this type of independent advice. In relation to the advice encounter, interviewees valued the type of voluntary, user-initiated and user-orientated service that was possible within the voluntary sector:

*'Because of what they [CAB] stood for, they were a voluntary organisation... they bent over backwards to accommodate me and to find out exactly what were the laws surrounding my case. They seemed interested.'*

Dave, unemployed man

## Office environment

Interviewees appreciated advice that was provided in a pleasant environment, which was associated with being treated with dignity and respect. A welcoming and comfortable environment was conducive to calm and constructive adviser-user relationships, which were especially important for those who were in pain or distress and anxious about a personal or family crisis. This environment could enable reassurance and promote confidence and self-esteem. Interviewees appreciated comfortable seating areas, where they could sit without feeling under pressure of time or to take particular action. Interviewees who had used advice services in a pleasant environment also appreciated the facilities provided for job seeking – eg, free use of computers with internet access, printers, photocopiers, telephones and newspapers:

*'A very nice atmosphere actually [at private employment agency]... There's actually a reception area. There's a coffee area. There's a receptionist. You can sit there. They've got toilets.'*

Alison, disabled lone parent

## Social contact and peer support

Some interviewees valued the services offered by private and voluntary agencies because they offered opportunities for social contact and peer support. Being able to meet people in a similar situation seemed to be particularly valuable to those who were quite isolated – eg, lone parents from minority ethnic groups or those who had taken long breaks from the labour market to care at home for family members:

*'It was good to meet other people that were in the same situation, whereas I wasn't meeting anybody at [voluntary agency]. It was just me with an adviser once a week. At [large private provider], you are meeting people all the time, even if you pop in and just go on the computer, you know, job searching, using the telephone, you are meeting people. You have a chat with somebody. I think it makes a difference.'*

Alison, disabled lone parent

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## Conclusion

This chapter has outlined the key dimensions of good and bad advice from a user's perspective. It was evident that interviewees had both very good and very bad experiences of advice about benefits, tax credits and looking for work.

A number of interviewees preferred voluntary advice that offered sufficient resources for a pleasant, welcoming and calm environment, within which they could see an adviser at times that suited them, with the option of long appointments of up to several hours if necessary. This would also involve opportunities for social contact and access to free resources, such as newspapers, networked computers, telephones and printers to help them look for work. Ideally, holistic services would include access to free services for the improvement of health, fitness and wellbeing. Interviewees appreciated services that were designed so that they could have continuity and consistency in the adviser they saw, which, in their view, would promote effective help based on competence and expertise.

Overall, there was a desire for direct help with immediate needs, as defined by the user, with a recognition that people's circumstances and concerns are unique – one size does not fit all. Interviewees wanted support that was flexible and responsive to help them make sense of complex situations and decisions.

Fundamentally, interviewees wanted to be treated with respect and dignity. They wanted advisers who took time to listen to them sympathetically and to understand them as a person. They wanted advisers who were trustworthy, helpful and friendly. There was a need for empowering services that allowed users to be in control. There was also a need for advice that could take account of language difficulties. Interviewees valued accuracy in assessment of needs and in processing benefit claims. There was support for more transparent accountability.

### Notes

- 1 R Lister, *Poverty*, Polity Press, 2004
- 2 R Lister, *Poverty*, Polity Press, 2004
- 3 See also F Bennett, M Brewer and J Shaw, *Understanding the Compliance Costs of Benefits and Tax Credits*, Institute for Fiscal Studies, 2009

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## Introduction

This chapter presents the results of a focus group interview with six key stakeholders representing the perspectives of frontline advisers in Jobcentre Plus and private and voluntary sector providers (see Appendix Two). The findings presented here are their views on the implications of welfare reform, firstly for user groups and secondly, for advisers and their organisations. In each case, results are presented on the impact of ‘work-first’ welfare reforms and contracting out employment services.

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## The impact of welfare reform on users

### ‘Work-first’ reforms

This section outlines advisers’ views on the implications of ‘work-first’ welfare reforms (see Chapter Two) for users.

#### Positive support

Advisers recognised the importance of positive policy developments (1997–2008) that helped make work pay (ie, the national minimum wage and working tax credit) and supported the employment of disadvantaged groups – eg, through better availability of high-quality, affordable childcare and help with the costs of childcare through child tax credit. These measures were felt to be especially valuable for lone parents.

#### Compulsion

Increasing compulsion and tougher job-seeking conditions for those claiming benefits other than jobseeker’s allowance (such as work-focused interviews and job search activities) lay at the heart of many of the issues raised by advisers. Advisers believed that the success of those who had moved from claiming income support or incapacity benefit into paid employment was as a result of a process that the user voluntarily embarked on at a time when it was appropriate and manageable. Compelling people to look for a job when this was unrealistic for them was felt to be a risky strategy that could have negative outcomes:

*‘You’ve seen people blossom and grow as they’ve moved into work. But that’s because that’s been their choice and it’s been fulfilling their dream... something that they’ve come to believe that they can achieve for themselves.’*  
Kelly, lone parent adviser

There were concerns about increases in obligations for lone parents to consider paid employment during compulsory interviews at Jobcentre Plus. The movement of lone parents off income support and onto jobseeker’s allowance was viewed as ‘totally inappropriate’ and ‘a step backward’.

Compelling lone parents to seek paid work concerned advisers because ‘the underlying logic behind it is to make employment the only acceptable source of income’, which amounted to a ‘withdrawal of the welfare state’. Advisers felt this created tensions for lone parents because the responsibility to parent was felt to be inescapable:

*‘There’s a compulsion to get the parent into work and then the child goes off the rails and causes problems. It’s the parent that is still responsible.’*

Cath, lone parent adviser

*‘Compulsion for lone parents isn’t productive and it simply puts pressure on families already coping under stress anyway.’*

Fiona, disability adviser

Concerns about increased obligations on lone parents and ill or disabled people to move off benefits and into paid employment, also centred on the implicit assumptions of policy design – ie, that claiming benefits is a problem *per se* and that responsibility for the solution lies mainly with stimulating benefit recipients to find a job. Focus group participants understood the issue differently:

*‘Employment is not necessarily related to individuals and their personal issues. It’s a structural economic issue... a lack of childcare, lack of decent quality jobs... a total absence of challenging employer discrimination around areas like disability or understanding the challenges that face lone parents.’*

Lynn, public sector union

Focus group participants felt that, even at a minimum, high-quality affordable childcare should have been guaranteed *before* increasing the obligation for lone parents to seek paid employment.

*‘All the responsibility lies with the lone parent – irrespective, in fact, of whether the childcare is there, whether the jobs that are available in the local economy actually are going to enable that lone parent family to be better off in work... irrespective of whether local employers will employ a lone parent... my lone parent is still going to be forced to go out and look for a job.’*

Kelly, lone parent adviser

There were concerns that increased work-related obligations on lone parents and ill or disabled people might actually undermine the ‘can do’ approach to encouraging benefit recipients to look for and take up paid work:

*‘The more you [as a benefit recipient] admit you can do, the more pressure is going to be on you and the more you’re likely to have your benefits taken away.’*

Douglas, mental health adviser

Advisers felt that measures to encourage or compel lone parents and ill or disabled people to look for work had been developed without being grounded adequately in evidence from research and evaluation. The success of voluntary employment programmes (such as the New Deal for Lone Parents, or the Scottish government’s Working for Families initiative) was praised and highlighted as a potentially more effective and sustainable long-term strategy than requiring benefit recipients to attend work-focused interviews or inappropriate training, or seek unsuitable

jobs. These views were consistent with the experiences and perspectives of the benefit recipients who were interviewed (see Chapter Four).

From this perspective, it could be more effective to reduce obligations, especially for people with mental health difficulties, so that people could be encouraged to look for paid work from a greater position of security, without the anxiety of risking the loss of essential income for daily necessities. Advisers had experience of users who had attended compulsory interviews and assessments, which resulted in counter-productive outcomes because the process had increased anxiety and impacted negatively on existing mental health issues:

*'One of the things that the government believes as a matter of policy is: you make people feel more insecure in their benefits. You should have people constantly feeling that their benefits are potentially under threat. And obviously, they believe, this is a good thing... But, as far as the sort of people I deal with, it's an extraordinarily malign policy because... this constant fear people have every time they get a brown envelope through the door that somebody's going to try to take all their money away, or that they're going to get evicted from their house and all the rest of it, it is a real, serious contributor to mental illness.'*

Douglas, mental health adviser

Advisers therefore felt that there was scope for policies to offer greater stability, especially for lone parents, to protect a minimum income during transitions into and out of employment:

*'They want to be better off. They want to have a better future. They want to be more affluent. But in the initial stages, the things that again and again and again come up as being the most important thing to the parents we work with is actually stability and security... What really scares people is not knowing, and fluctuations and insecurity.'*

Kelly, lone parent adviser

Advisers identified a crucial issue of sustainability for benefit recipients entering paid employment, particularly for those who also had ill health or who were disabled. Advisers had dealt with many lone parents who cycled between low-paid work and claiming benefits. In many cases, advisers dealt with benefit recipients who had multiple problems (like many of those interviewed for this study). Focus group participants agreed that gains could be made by offering better support for lone parents who found work to stay in their jobs, than compelling other lone parents (whose circumstances may be much more difficult) to look for entry-level jobs in the short term. Advisers felt that interventions could be more effectively targeted towards retention and advancement (to promote progression of education, skills and careers), towards 'work that's going to be sustainable and fulfilling and is actually going to set your kids a really good example for their future lives' (Kelly, lone parent adviser).

In the view of advisers, issues which impacted on the sustainability of lone parents' employment included:

*'Partners re-appearing and violence... because the childcare isn't there or isn't right for them, they've got mental health problems or they've got debts. You're talking about numerous barriers, not just one or two.'*

Fiona, lone parent adviser

### **Stigma**

Advisers were concerned about the negative messages about benefit recipients attached to policy debates and reforms, and the impact of these on the self-esteem of those who had no choice but to claim benefits (including, but not only, those with mental health difficulties). There were concerns that welfare reforms would offer service users less dignity and respect than they had received in the past:

*'You keep telling people that they've not contributed to society or they're a burden on society, that, you know, they're costing the country money, they're not this, they're not that – it very quickly puts them into a spiral of low self-worth and low-level mental health problems... All that negativity definitely contributes to people moving up the scale of mental health issues.'*

Fiona, disability organisation

### **In-work poverty**

Advisers also felt it was very important that paid work offered a genuine escape from poverty, rather than perpetuating in-work poverty:

*'Am I going to be better off? Because if you're not, you're getting all the additional stresses of maintaining a job, running a family, running a home single-handedly, probably having to pay more out for the debts that you owe because now you're working the creditors expect more. So you get in a situation where you're not better off and then that brings a whole raft of stresses on top of you.'*

Cath, lone parent adviser

Part of the issue of inadequate income also related to non-payment of child maintenance by non-resident parents, which could impact heavily on the incomes of lone parents:

*'[F]or most of my clients, to be better off in the kind of entry-level jobs that are available to them, the only way they're going to be better off is if the state actually assists them to access financial support from the fathers of their children.'*

Kelly, lone parent adviser

One lone-parent organisation had done research with their users to establish views on looking for work and which advice services they would find useful:

*'Many felt a pressure to get a job as if any job was better than no job. Single parents overwhelmingly disagreed with this approach. Those who had not been in work for a long time or had returned to welfare wanted holistic support to tackle acute problems such as debt, isolation, domestic violence, depression and low self-confidence as well as the time and opportunities to develop their qualifications and experience.'*

Cath, lone parent adviser

These views supported the views of benefit recipient interviewees in this study (see Chapter Four).

### **Assessment of capability for work**

Advisers identified genuine difficulties involved in the process of assessing capability for work, especially in relation to mental health. Advisers were keen to help their voluntary service users find paid employment where this was appropriate, but felt the assessment of capability for work needed to be done by medical specialists:

*'The fact that someone has got mental health problems is not, in itself, a reason for saying that they're never going to work again and, from that point of view, we'd like to see incorporated in the psychiatric service assessment what people can and cannot do.'*

Douglas, mental health adviser

There were concerns that some assessors and advisers involved in establishing capability for work were not currently specialised enough to make accurate and robust assessments. There were concerns that increased work conditionality for ill and disabled people (introduced in 2007 in the work capability assessment for employment and support allowance) increased the risk that an inaccurate assessment could result in hardship for claimants – either because they may wrongly be defined as ineligible for benefits or because they could be required to take mandatory action to look for paid employment when this was inappropriate:

*'We actually provide services to help people – some of whom have been clients of mental health services for quite long periods – back into work... You do a genuine assessment of people on an individual basis to decide whether, in fact, going back to work in either the short, medium or long term is a realistic objective. In some cases you'll find that it is and in some cases you'll find that it isn't.'*

Douglas, mental health adviser

While advisers felt that many of their service users could benefit from paid employment, they knew of a minority for whom this would not be a realistic option in the short or medium term, and called for better acknowledgement of the existence of this group of people.

Advisers reported that some of their service users were trying to find a job when this was not realistic for them and was, in fact, dangerous for their mental health:

*'One of my colleagues has been visiting someone who is actually desperate to work. He keeps getting jobs, you know. The last one lasted seven working days. Then he's back in intensive care again. And he's going to carry on doing this over and over again... It is not necessarily wise... We've got a couple of people at the moment who are bi-polar. When they get a bit high, they actually do things like mortgaging their house to go and start some completely crazy, misconceived business and they end up homeless. Somebody ought to be trying to stop them... There are a significant number of people for whom that sort of thing is actually quite damaging to them and to their families and, indeed, to society at large.'*

Douglas, mental health adviser

In addition, mandating people with mental health difficulties to

inappropriate or inadequate training was seen to be potentially damaging:

*'Nothing is more dispiriting than actually trying to take part in something which is really quite a difficult exercise; when people have serious mental health problems, have been out of the workforce for years and are, actually, trying to get back in. You know, they suddenly find themselves surrounded by a lot of people who don't want to be there.'*

Douglas, mental health adviser

However, it was acknowledged that some people with mental health difficulties find going through the welfare-to-work system helpful and positive.

### **Benefit payment**

Advisers felt that welfare reforms had re-orientated the system towards stimulating job entry and drawn attention away from the equally important task of ensuring that prompt and accurate payment of benefits was prioritised and that vulnerable people had their needs 'genuinely, fairly and properly assessed'.

### **Decline in face-to-face contact**

There was concern that a large number of redundancies in Jobcentre Plus during 2007 and 2008 had impacted negatively on morale and also led to a reduction in face-to-face contact. Advisers felt that this development was inappropriate because it treated vulnerable people 'more like a claim to be processed rather than an individual that needs to be helped'. Harsh cuts to Department for Work and Pensions (DWP) funding were noted, especially because they created challenges for the diminished number of frontline advisers, themselves relatively low-paid workers, who had seen a worsening of pay and employment conditions alongside extra pressure to achieve employment targets. It was noted that there was resistance among Jobcentre Plus employees to a system that sought to 'take benefits away from people'. Instead, there were calls to provide more holistic support, which matched the calls for holistic wellbeing services raised by benefit recipient interviewees (see Chapter Four). Benefit recipients were seen as 'the most vulnerable people in society' and it was felt that investment in Jobcentre Plus could improve services to better meet the needs of users:

*'We want to see a properly resourced service which is accessible to the people who need to use it. That's not the case at the moment.'*

Lynn, public sector union

### **Contracting out employment services**

Advisers also commented on the implications of contracting out employment services for users. In particular, they reported that not all delivery agencies were offering better-off calculations for benefit recipients considering paid employment. Those who did may not have the necessary time or expertise to make these calculations accurately (allowing for, for instance, the loss of passported benefits like free school meals, the effect of taxes or the costs of travel to work and childcare). Advisers felt it was important that impartial and accurate better-off calculations were offered to benefit recipients. Advisers felt

that money was important to people considering paid employment, but it was not the only consideration.

The involvement of a range of agencies in providing employment services and advice and support to benefit recipients was felt to be important in order to avoid users feeling pressurised. In this sense, organisational independence from government could offer users the reassurance of discussing different options without feeling compelled to take a particular course of action.

### **Discretion**

Advisers were concerned with the increased use of discretion, particularly in the case of Jobcentre Plus personal advisers and advisers in private companies delivering DWP sub-contracted employment services. The crux of the issue was that, while discretion could offer opportunities for more user-focused support, there was 'usually no right of appeal against a discretionary decision'. This meant that it was very difficult to represent users' interests in cases where the outcome of a discretionary decision had a detrimental effect.

### **Quality of services**

Advisers felt that contracting out might pose a risk to service quality. Advisers reported that their service users had experienced a variety of services (eg, as part of the New Deal for Lone Parents), including very good and very bad interviews and decisions. The provision of services was also viewed as variable geographically, with not all services available in all areas.

The provision of employment services by the public sector, via Jobcentre Plus, was viewed by advisers as offering the advantages of transparency, accountability and regulation. It was felt that contracting out employment services could jeopardise good practice in these areas:

*'A private company, a third-sector organisation, is not monitored to the same extent as a government department – whether that's on equality, whether that's parliamentary monitoring, whether that's their accounts regulation, auditors. It's a different ball game.'*

Lynn, public sector union

One concern was that contractors would be positioned in competition with each other, which could lead to distrust and secrecy about the content and success of frontline services. From the perspective of citizens receiving advice, this could mean withholding performance information previously available to the public (which could be used to judge the quality of services) on the grounds of competitive advantage. Lack of information about the practices and performance of delivery agencies would make any sort of 'customer' choice impossible. This was seen as an inherent flaw in the design of the 'welfare'/employment services quasi-market:<sup>1</sup>

*'They're going to want to work with the ones where they can get easy outcomes. So who's going to actually work with the ones that are hardest to reach? They're going to be the casualties of this welfare reform.'*

Cath, lone parent adviser

One adviser felt that compulsion in welfare-to-work policies was likely to promote poor-quality services, because if people have no choice but to attend a specified training course, for instance, there is no incentive for high-quality services (since dissatisfied ‘customers’ still have to attend):

*‘Why would a private company, which it usually is, provide a good service when they don’t have to do anything to attract customers?... It just doesn’t make commercial sense to provide a good service.’*

Douglas, mental health adviser

In this sense, the mandatory dimension of UK welfare-to-work policies was interpreted as inherently undermining of competitive market values, which are intended to form the basis of the new ‘welfare market’ in employment services. This means that, not only is the market unreal, it is inherently flawed because of a basic incompatibility of the policy and delivery approaches.

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## **The impact of welfare reform on advisers and their agencies**

Advisers also raised a number of issues in relation to the implications of welfare reforms for themselves. This section first considers the impact of ‘work-first’ welfare reforms, then outlines participants’ views of the impact of contracting out services for advisers and their organisations.

### **‘Work-first’ reforms**

Advisers felt that providing advice to benefit recipients about looking for work within a mandatory framework (ie, as a DWP sub-contractor) could change the nature and dynamics of the adviser-user relationship because of increased anxiety and mistrust. This echoed the views of the benefit recipients who were interviewed for this study (see Chapter Four).

*‘If they [benefit recipient] see someone who is a policing organisation, they’re not going to trust them to tell them things that might help them to break down the barriers because they’re going to be afraid to tell them anything... unless your money gets cut.’*

Fiona, disability organisation

*‘If you feel that you are obligated to do something, it completely alters the exchange between the two people.’*

Cath, lone parent adviser

The use of the combination of compulsion and job placement payments was seen as threatening to the special high-trust relationship between some advisers and their service users, which could be more effective in moving people towards employment:

*‘At present, working with someone in terms of what they want to do, you can, actually, be quite challenging with them. You know, people say, “I can’t do this, I can’t do that”. And you will say, “Well, why can’t you do it? Why can’t you think that?”... Being an advocate doesn’t mean you just accept*

everything people say. You can actually challenge it quite sharply. If at the end of the day somebody is saying, “Well, I couldn’t possibly work because ...” and you think, “Well, are you sure?” You ask them to think about it and they say, “Well, you’re only saying that because you’re actually trying to get money out of the government for getting me into a job”. Well, I mean, what can you say? Your credibility is completely gone, really.’

Douglas, mental health adviser

## **Contracting out employment services**

### **Positive effects**

Advisers felt there were potential benefits of contracting out employment services, including increased income and potentially a more sustainable future for delivery organisations with insecure long-term funding:

*‘The positive thing about external contracting to an organisation like ours is that it allows us to deliver – to play to our strengths, to deliver what we’re good at delivering. And if we can do that in collaboration with Jobcentre Plus service providers and also some private sector providers, then, you know, we can bring together what is best about all of us and provide a decent set of provision for the clients.’*

Kelly, lone parent adviser

### **Tensions**

However, there were concerns that delivering employment information and advice to benefit recipients under a DWP contract could change the relationship between advisers and users, especially in the voluntary sector, potentially reducing the quality of the intervention provided. The need to compete for limited government funds created issues for agencies, especially in the voluntary sector, where there was a concern that this could affect the dynamics of adviser-user relationships, reduce advocacy and campaigning work and minimise critical engagement in debates about government policy:

*‘If you were totally relying on funding from government and then you speak out against their practices, you become very vulnerable.’*

Fiona, disability organisation

In the worst case scenario, delivery of DWP contracts could create a conflict of interests:

*‘The best interests for you could be getting that person doing whatever it was in terms of a job, but in the client’s interests it would be advice as to what was the proper benefits for them and how it could actually enable them to live the way they wanted.’*

Mark, private employment agency

Advisers viewed recent policy changes (increasing compulsion and including an explicit goal to reduce the number of people claiming particular benefits – see Chapter Two) as giving equal priority to the outcome of the user getting a job as to the user stopping claiming benefits. They felt this created a ‘sharp conflict of interest’ because advisers could no longer be primarily concerned with what was best for

the user if their own job depended on meeting targets for moving users off benefits.

Advisers were concerned that advice for benefit recipients might become increasingly dominated by services provided under contract to the DWP, the conditions of which might lead to a de-skilling of advisers in the sense that the main type of advice would become about securing immediate job entry. There was a concern that specialism that previously existed within Jobcentre Plus, particularly in relation to disability advice, could be lost and that voluntary sector providers with specialist advice (eg, for lone parents and ill or disabled people) would be confined to small sub-contracting roles in only some localities. One danger could be delivering services that are not in line with the mission and values of their service:

*'It would stop being an organisation there to deliver a purpose and be there to deliver a contract.'*

Mark, private employment agency

Advisers felt that the voluntary sector would not be able to compete on a level playing field with private providers because of constitutional requirements – eg, preventing financial cross-subsidy and requiring accounts to be open to public scrutiny.

The significance of this point went beyond the concerns of what was best for the user because it has implications for the voluntary sector as a whole. Advisers thought that, overall, the involvement of the voluntary sector in DWP sub-contracted provision could undermine the essence of the voluntary sector.

Centralised contracting was already thought to have led to a loss of local knowledge (in comparison with the preceding system whereby Jobcentre Plus district managers could communicate with providers about gaps in services in local areas). Advisers felt that the prime contracting model closed opportunities for collaborative discussion:

*'You just get: "This is what we want to buy".'*

Kelly, lone parent adviser

Advisers felt that good services (especially those provided by small-scale voluntary agencies) had already been lost as a result of funding changes that privileged large-scale private prime contractors. This could mean a loss of specialism and less choice for users.

The operation of private agencies was of concern to the voluntary sector providers, who felt that engaging in competition for DWP contracts could undermine organisational integrity and breed distrust, secrecy and gaming behaviour:

*'The private sector submit tenders with totally unrealistic targets. They get the contract and then they don't deliver and they still get contracts... In the voluntary sector, integrity kind of prevents them from making those unrealistic claims.'*

Fiona, disability organisation

Voluntary sector advisers were anxious about private companies over-promising and under-delivering. In particular, there was a concern that financial incentive structures could encourage prime contractors to cherry-pick those easiest to place and sub-contract the harder to help to the voluntary sector – thereby setting sub-contractors up to fail:

*'Across the contract, performance may be 80 per cent, but on the hardest to reach, most difficult elements of work, the performance may be only 5 per cent. But because you're averaging everything up, because you're building everything up to a higher level of contracting, those nuances become lost... So the people who need the service don't get the service.'*

Kelly, lone parent adviser

Advisers were interested in the design of contracts and measurement of success involved in contracting out employment services. It was felt that any agency delivering a government contract would be under pressure to achieve narrowly defined job outcomes that could override an adviser's concern with 'what's best for the client at that moment in time'. Advisers felt that this could create dilemmas for advisers, especially in the voluntary sector where:

*'The values of our organisation [are] about responding to what people need when they say they need it.'*

Kelly, lone parent adviser

The effects of a prime contracting model allowing the market to be dominated by a small number of large private providers could include a decline in the quality of service, less choice and less diversity. Advisers were concerned with issues of quality because they felt that 'quality is too expensive' and agencies motivated by profit-making could easily be drawn towards low-cost 'quick-fix' solutions that satisfied output targets in the short term, but did little to improve the lives of vulnerable people in the long term (especially given the challenge of sustaining employment).

One view was that contracting out was being promoted to encourage an insecure workforce of advisers, whose employers were vulnerable to changes in government funding – ie, it was simpler to terminate a contract in order to save money than to lay off civil servants (who would otherwise have been providing those services). These arrangements for a flexible workforce could make it easier to change policy and practice in ways that could potentially have negative impacts for users:

*'It would completely change the way we work with our clients. One of the things is we always actually work with people to achieve their objectives, not somebody else's. Obviously, that involves a lot of discussion with people as to what their objectives are and often as a result, those people may actually change their objectives.'*

Douglas, mental health adviser

Advisers were concerned about the growth of a compliance culture among delivery agencies of every kind, especially if this inhibited creative responses to users' needs:

*'When they brought out the adviser's discretionary fund, there was no guidance and so nobody gave any money out because they were frightened to.'*

Fiona, disability organisation

### **Orientation of advice**

Advisers felt that the value base of advice provision mattered. There was concern that organisations with a strong value base (eg, religious organisations) could play an increased role in delivering advice to benefit recipients. While this may offer benefits, advisers also felt that it could have an impact on the 'client experience' – eg, 'for people who face relationship breakdowns or have non-traditional family set-ups'. In contracting out employment services, it was felt that the civil service values of impartiality and unbiased provision may be threatened.

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## **Conclusion**

Overall, advisers felt that support to help disadvantaged groups into employment (such as voluntary advice on childcare) and efforts to make work pay (through minimum wages and working tax credit) were very valuable and had helped their client groups. Advisers were concerned about policies that made job-search activities compulsory for those who were ill, disabled or had substantial caring obligations. Work-related conditions for benefit receipt and compulsory job-seeking activities were felt to be inappropriate and potentially damaging to the wellbeing of these groups. However, it was felt that voluntary advice, including that relating to employment, could be very valuable for those who were sufficiently secure to take up paid employment. There was a major concern about the sustainability of jobs.

Advisers had varying views about contracting out employment services. They felt there could be benefits for their user groups, but also worried about the implications of competitive market forces on the quality of services, transparency and accountability. A conflict of interest was identified between the ethos (particularly in the voluntary sector) of meeting users' needs and the new contractual requirements of services outsourced by the DWP, which were primarily concerned with short-term job entry.

### **Notes**

- 1 Quasi-markets are different from 'real' markets and have been criticised because competitive behaviour only emerges from the operation of genuinely open markets and so cannot be applied effectively in environments where choice is not possible. A particular concern is that quasi-market arrangements are dominated by the state and tend to have a single (or very limited number) of purchasers. The stimulation of competitive market behaviour can be strictly limited in situations where services are monopolised by a small number of providers. See J Le Grand and W Bartlett (eds), *Quasi-markets and Social Policy*, Macmillan, 1993; L Struyven and G Steurs, 'Design and Redesign of a Quasi-market for the Reintegration of Jobseekers: empirical evidence from Australia and the Netherlands', *Journal of European Social Policy*, Vol. 15, No. 3, 2005, pp211-29; L Struyven, 'Between Efficiency and Equality: new public-private arrangements in employment assistance for the unemployed', in J de Koning (ed), *The Evaluation of Active Labour Market Policies*, Edward Elgar, 2007, pp193-217

This report has considered the provision of advice in relation to welfare reforms which have increased job-seeking conditions to move benefit recipients into paid work, alongside an increase in the extent of contracted-out employment services.

Chapter One provided an introduction to the study and presented the research methods and questions.

Chapter Two outlined the policy context for the research, detailing policy changes that have made it harder to claim benefits and those that introduced new compulsory work-focused interviews for benefit recipients who were not previously considered as ‘jobseekers’ because of their ill health, disability or caring responsibilities. These policies were designed in a period of economic boom, but implemented in a time of austerity. The design of UK policies has been characterised as mainly ‘work first’, in contrast to an alternative ‘human capital development’ approach, which has been pursued in some other countries. New steps to contract out advice and support for benefit recipients to private and voluntary sector providers were also outlined.

The implications of these changes were considered firstly from the perspective of benefit recipients. In Chapter Three, experiences of welfare reform were reported. The lived reality of being out of work and claiming benefits is difficult and is epitomised by poverty and hardship. None of the interviewees had chosen to be out of work and many were living in precarious living arrangements: homeless or with severe housing problems; disabled or with severe and/or unpredictable ill health; or with major care demands. Most of the interviewees had acute needs in many aspects of their lives. Some were struggling at the margins of being able to cope with everyday life. A minority of the interviewees had language difficulties (either because English was not their first language, or because of literacy or dyslexia-type difficulties). Despite this, all were keen to work.

Chapter Four explored benefit recipients’ experiences of and views on using a range of ‘advice and employment services’ (defined broadly from a user’s perspective to include any service that they had accessed to help with their benefit or tax credit claim or to help with looking for paid work). Interviewees had experience of receiving advice and employment services from a wide range of providers. Interviewees had experience of both good and bad services and advice. There were no consistent preferences for particular organisations or services. While some of the interviewees distinguished clearly between different types of agency, others were confused about the remit and powers of the organisations with which they dealt. Referral processes were not always clear to users, who did not always know if services they used were voluntary or mandatory. Interviewees identified key dimensions of good (see Table 3) and bad advice.

Table 3:

**Key dimensions of good advice from a user's perspective**

Treatment	Adviser
<ul style="list-style-type: none"> <li>◆ Being treated with respect and dignity</li> <li>◆ Sympathetic and attentive listening</li> <li>◆ Truly personal services based on holistic knowledge of the person and her/his circumstances</li> <li>◆ Helpfulness</li> <li>◆ Trust</li> <li>◆ Empowerment and being in control</li> <li>◆ Accurate assessment of conditions and needs</li> <li>◆ Quick, accurate and effective processing of applications for benefits or tax credits</li> </ul>	<ul style="list-style-type: none"> <li>◆ Continuity</li> <li>◆ Consistency of advice</li> <li>◆ Follow-up action</li> <li>◆ Effective help, based on competence, knowledge and expertise</li> <li>◆ Advocacy and representation to realise rights and maximise access to benefits, jobs, training and support opportunities</li> </ul>
Appointment	Assistance
<ul style="list-style-type: none"> <li>◆ Long interviews at times to suit the user, with enough time to speak unhurriedly on a confidential one-to-one basis</li> <li>◆ Voluntary</li> </ul>	<ul style="list-style-type: none"> <li>◆ Direct assistance with immediate needs as defined by the user – eg, form-filling</li> <li>◆ Flexible and responsive help</li> <li>◆ Making sense of complex and confusing situations</li> </ul>

Interviewees valued advice about benefits and looking for work highly and gave examples of times when receiving clear, consistent and correct information was essential in dealing with very difficult circumstances. However, advice provision varied greatly in quality and in purpose. There were examples of very bad and very good advice from a range of providers. There were no clear preferences for different provider types. However, interviewees did identify a need for independent advice that could be accessed on a voluntary basis.

Chapter Five reported the results of a focus group with advisers. Advisers' views on the implications of reforms for their service users were considered. Advisers viewed policies that enabled people to move from benefits into employment as very valuable, such as those to make work possible (through reducing the cost and increasing the availability of high-quality childcare) and those to make work pay – eg, the minimum wage and working tax credit. However, there was much concern about changes that made it compulsory for those with caring responsibilities, ill health or disabilities to participate in work-focused interviews and job-seeking activities. While advisers felt it was useful for some benefit recipients (claiming benefits other than jobseeker's allowance) to have access to support in looking for work, they saw compulsion as inappropriate and potentially detrimental to the wellbeing of those in unstable living situations or those with mental health difficulties. In fact, advisers saw compulsion as counter-productive for groups claiming benefits for reasons other than unemployment.

Accurate assessment of capability for work was seen as crucial and as an activity for medical specialists. There was a concern that moving off benefits and into paid work could not guarantee an escape from poverty unless wages were adequate to meet necessities. In relation to the contracting out of employment services, advisers were concerned that

Department for Work and Pensions (DWP) contractors may not all have adequate expertise to conduct better-off calculations and that competitive forces may undermine service quality (since there was little incentive to attract mandatory service users), threaten transparency and lessen accountability.

Secondly, advisers reported on the implication of reforms for themselves and their organisations. The main concern was that increases in contracting out might have knock-on effects for the sort of funding available to private and voluntary sector agencies working with disadvantaged groups. Those accepting a DWP contract would have to comply with contract terms, which could alter the dynamics of the adviser-user relationship and create tensions between what is best for the user and what is best for the adviser (whose own job may depend on fulfilling 'off benefit' targets). On a large scale, this could risk re-orientating advice provision overall towards short-term job placement and detract from the agency's own values and mission. There were concerns that a small number of large private providers would dominate the employment services market and that conditions would make it difficult for small agencies to compete successfully. The focus on financial payments for job placements could promote 'creaming' or 'cherry-picking' (which is against the interests of those who most need help) and inhibit innovation. Nevertheless, advisers saw contracting out employment services as offering potential funding for delivery organisations and opportunities for multi-agency working.

## CPAG policy conclusions and recommendations

This chapter includes a summary of the issues which have emerged since the research for this report was undertaken, followed by a series of recommendations. The recommendations draw on the information provided in 2008 by benefit recipients and advisers outlined in this report. They have been revised and updated by CPAG so they can be applied to more recent changes and proposals outlined in the Work Programme and Welfare Reform Bill 2011.

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### The current context: welfare to work policy in the UK

- ◆ The recently published *Households Below Average Income* statistics show that, although child poverty is now at its lowest level for 25 years (before housing costs), the relationship between in-work and out-of-work poverty has changed.
- ◆ Between 1998 and 2004, the number of children in in-work poverty fell each year ('bucking a three-decade trend' in which in-work poverty had steadily risen). Since 2003/04, in-work poverty has risen, while poverty in workless households has reduced.<sup>1</sup>
- ◆ The coalition government has announced wide-ranging cuts to welfare spending, worth £18 billion a year by 2014/15. Cuts in benefits and tax credits for both adults and children alongside instability in the labour market are likely to result in an increase in both in-work and out-of-work poverty over the next few years.
- ◆ Although the government argues that cuts are being imposed in a way that 'protect the most vulnerable', it is now clear that their cumulative impact will have a disproportionate impact on groups of people who face the greatest risk of poverty – primarily women and children, larger families (many of whom are from black and minority ethnic groups) and those affected by disability.<sup>2</sup>

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### Latest developments

On 16 February 2011, the government introduced the Welfare Reform Bill to Parliament which 'legislates for the biggest change to the welfare system for over 60 years'. The Bill introduces a wide range of reforms that the government claims will make the benefit and tax credit systems fairer and simpler by:

- ◆ creating the right incentives to get more people into work by ensuring work always pays;
- ◆ protecting the most vulnerable in our society;

- ◆ delivering fairness to those claiming benefits and to the taxpayer.

The Bill includes the following proposals:

- ◆ the introduction of universal credit to provide a ‘single streamlined benefit’;
- ◆ ‘a stronger approach to reducing fraud and error, with tougher penalties for the most serious offences’;
- ◆ ‘a new claimant commitment’;
- ◆ ‘reforms to disability living allowance through the introduction of a personal independence payment’;
- ◆ reform of housing benefit ‘to bring stability to the market and improve incentives to work’;
- ◆ reform of the social fund system ‘by giving greater power to local authorities’;
- ◆ reform of employment and support allowance;
- ◆ changes to support a new system of child support;
- ◆ increased conditionality.

The government argues that the publication of the Welfare Reform Bill will put work, rather than hand-outs, at the heart of the welfare system and that universal credit will:

- ◆ ensure that 2.7 million households are better off;
- ◆ result in over 1 million households seeing an increase in their weekly income of £25, with 85 per cent of this increase going to the poorest families in the country;
- ◆ lift nearly 1 million people, including 350,000 children, out of poverty.

### **The Work Programme**

Alongside wide-ranging reform of the social security system, the government is also introducing what it claims is ‘the biggest back-to-work programme since the war, helping millions of people get into jobs’.

The recently launched Work Programme replaces existing employment support schemes (the New Deal, employment zones and Pathways to Work), and the government claims it ‘will radically simplify the array of existing employment programmes and deliver coherent, integrated support more capable of dealing with complex and overlapping barriers to work’.<sup>3</sup>

Although Employment Minister Chris Grayling said the Programme was ‘probably the biggest payment-by-results scheme in the world’ and would offer ‘specialised, personalised support’ for the unemployed, there are concerns about its capacity to deal with a substantially larger number of claimants expected to look for work, and that a payment-by-results approach may result in suppliers pressurising vulnerable people into unsuitable jobs or ignoring those who need the most support. The

Work Foundation has warned that the Work Programme will do little to improve job prospects for people living in economically weaker areas of the UK.<sup>4</sup>

A report from the National Audit Office suggests that the contracted-out Pathways to Work programme has not performed as expected and has been 'poor value for money'. It reports that contractors have underperformed against targets and that a greater proportion of jobs were achieved for voluntary, rather than 'mandatory', participants compared with Jobcentre Plus areas. Although the government has announced that it intends to scrap the Pathways scheme, the National Audit Office calls for the implementation of Pathways lessons to be used for future employment and support programmes.<sup>5</sup> This does not appear to be happening with the Work Programme.

Although this report also outlines problems with the delivery of privatised contracted-out employment services, seven-year contracts have now been issued on a payment-by-results basis. And out of the 18 prime contractors of the Work Programme, 16 have been issued to private sector firms (including corporate giants Serco and G4S) and two have been issued to voluntary sector organisations. 289 charities will be sub-contractors. The total value of the contracts awarded is likely to be between £3 billion and £5 billion.<sup>6</sup>

### **Increasing conditionality**

The Bill contains measures that, in the words of the Department for Work and Pensions:<sup>7</sup>

... expects claimants to do everything that can reasonably be expected of them to find or prepare to work in the future as a condition of receiving support...[and] introduces important changes to the existing regime to ensure that claimants are subject to appropriate conditions of entitlement and that they meet these responsibilities.

The proposed extension of the current system of conditionality that applies to jobseeker's allowance to most claimants introduces additional complexity into the system. For example, the claimant commitment for couples makes the test of entitlement far more complicated and, arguably, makes it a test based on judgement rather than entitlement. Both members of a couple are now subject to the conditionality test appropriate to them. A failure by either member could render a payment questionable and/or result in its suspension. It is also more likely to lead to sanctions and loss of benefit.

Although lone parents with a child under one year will have very limited conditionality, lone parents will be subject to full conditionality once a child reaches five (and is in school).

CPAG is concerned about this increase in conditionality for the following reasons.

- ◆ Swingeing cuts in support for lone parents and disabled people are being introduced when compulsion within the system is being increased.

- ◆ The requirement that all parents, including lone parents with children as young as one, attend work-focused interviews and engage in job-related activities when their youngest child reaches five is at odds with the government's wider agenda on supporting the family, and is unjust when support for childcare is being cut and the availability of appropriate, flexible jobs is becoming ever more limited.
- ◆ Increasing conditionality is time-consuming and costly, and may force parents to move into inappropriate jobs and place their children in inadequate childcare. This is damaging for both parents and children, and is at odds with the government's wider policies designed to enhance outcomes for children and improve social mobility.
- ◆ Research from the UK and elsewhere suggests that the most vulnerable groups disproportionately experience sanctions – often without knowing why – and this has a negative impact on them and their families.<sup>8</sup>
- ◆ The adoption of top-down directives and hierarchical bureaucratic structures are also at odds with the principles underpinning the Big Society.
- ◆ This approach ignores evidence suggesting that voluntary programmes are more successful and that demonstrates that the provision of support that empowers people and strategies that motivate are more effective than punishments that undermine autonomy.
- ◆ The government must recognise that punishing parental behaviour of which it disapproves by increasing conditionality and imposing benefit sanctions leaves children paying the price. CPAG will continue to argue that the government should place children's needs and wellbeing at the forefront of welfare reform.

To this end, CPAG believes that families with children should never incur financial sanctions as this damages children and undermines the principles outlined in the UN Convention on the Rights of the Child.

### **Universal credit: reducing child poverty?**

- ◆ We believe that the proposed universal credit will inhibit work for some people, be complex to administer and will reduce the level of support available to claimants.
- ◆ The Institute for Fiscal Studies calculates that when universal credit is introduced, around 2.5 million families will gain and, in the long run after transitional protection runs out, 1.4 million families will lose – including 450,000 single adults, 140,000 couples without children, 440,000 couples with children and 370,000 lone parents. It suggests that families who work 16 or 30 hours a week will probably lose under universal credit, but families who work just over or under this (eg, 15 or 17, or 29 or 31 hours a week) will probably gain under universal credit.<sup>9</sup>
- ◆ London Councils commissioned the Centre for Economic and Social Inclusion to research the impact of universal credit in London. Its

analysis suggests that a significant number of households will be worse off under universal credit than under the current system. It also suggests that, because of higher childcare and housing costs in London, some families – particularly lone parents with two or more children – will be worse off if they increase the number of hours they work.<sup>10</sup>

- ◆ A number of important issues are yet to be clarified – eg, how funding for childcare will be provided and how passported benefits, such as free school meals, will be treated.

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## **A simpler system?**

We believe that talk of simplification is misleading. It ignores the fact that many anomalies and discrepancies in the current system will be replicated and, in some instances, magnified within the new system. For example, people in work will be subject to a monthly means test – in contrast to the current annual test in tax credits. We fear that the language of simplicity may result in the government and those responsible for implementing the new system under-estimating the amount of support needed. The need for advice and support will be higher, not lower.

We are concerned that radical reform of the social security system and the introduction of the Work Programme, alongside reform of both the health and education services, will place *all* services under considerable strain at a time when resources are not being made available to ensure their successful implementation. Inevitably, significant ‘teething problems’ will have the greatest impact on the most vulnerable groups.

For the moment, families who are already under considerable stress will be forced to shoulder the risks inherent in introducing an ambitious programme of reform when resources are limited, and at a time when those responsible for implementing the system within the Department for Work and Pensions and the independent advice sector are experiencing cut-backs.

We believe that launching such ambitious reforms at a time when the resources needed to introduce them effectively are limited and the support services needed to safeguard the best interests of claimants are being reduced is extremely worrying and could undermine people’s civil and human rights.

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## On the Receiving End: conclusions and recommendations

- 1 Measures need to be taken to ensure that routine movements in and out of employment (made necessary in a flexible labour market) do not create instability in income for vulnerable groups.**

### Problems

- ◆ *On the Receiving End* suggests that ‘some people who were being encouraged to work struggled, unsustainably, at the margins of being able to cope with everyday life, even without looking for work’.
- ◆ While universal credit will provide protection for some people moving in and out of work, this is by no means the case for all groups.
- ◆ A single system, which introduces a putting ‘all your eggs in one basket’ approach, will generate significant additional risks for families, which may render movements in and out of employment more, not less, precarious.
- ◆ Cuts in financial support will generate additional barriers to looking for work. *On the Receiving End* reports that ‘looking for work on such a constrained budget was very difficult and resources were not available to cover the expenses’.
- ◆ Cuts in support (such as housing benefit) are also likely to drive families away from more affluent areas with more job vacancies and this will exacerbate labour market instability.

### Recommendations

- ◆ The principle of protecting children against poverty must lie at the forefront of welfare reform – whether or not their family is in employment.
- ◆ Living in poverty damages the health of claimants and reduces their ability to seek employment. Those elements of universal credit that result in the *reduction* of support to families with children must be revised as a matter of urgency.
- ◆ Significantly greater protection is needed to reduce the additional risks associated with channelling all support via a universal credit.

## **2 Advice and support for claimants (and those at risk of unemployment) should be adapted to account for the reality that some people face difficulties so severe, complex, multiple or variable that they are unable to look for or take up employment in the short or medium term.**

### **Problems**

- ◆ The proposals outlined in the Welfare Reform Bill assume that more benefit claimants can and should look for work than research suggests is actually the case. This approach ignores evidence (much of which emanates from the Department for Work and Pensions) that suggests that some claimants' problems are so severe that they are very unlikely to be able to engage in work-related activities, let alone access – or retain – employment.<sup>11</sup>
- ◆ *On the Receiving End* finds that 'many of the interviewees were living in very vulnerable situations, experiencing a range of precarious living arrangements'.
- ◆ If the wider system is ignoring the reality of people's lives, it is unlikely that resources will be found to ensure that adequate advice and support is provided within that system – in fact, support services that address different needs are being cut.
- ◆ The introduction of a complex new social security system alongside significant cuts to advice and legal aid means that claimants who will need considerably more advice and support will get less. This will leave claimants with severe, complex, multiple or variable needs at greater risk, at the same time as additional conditionality and sanctions are being introduced.
- ◆ The Department for Work and Pensions (DWP) is also experiencing cut-backs that will have a negative impact on the delivery of the sort of sensitive information and support needed to protect vulnerable claimants with complex needs.

### **Recommendations**

- ◆ Given that much of the expertise and experience of providing advice and understanding claimants' needs lies within the voluntary sector and community groups, it is vital that the government finds a way to support the independent advice sector to ensure that the support needed to protect vulnerable claimants at a time of considerable change is readily available.
- ◆ Advisers in the Work Programme – many of whom will be working for private contractors – need to have sufficient understanding of their clients' day-to-day needs to avoid unreasonable and burdensome requirements being placed upon them. This is particularly important given a significant increase in conditionality and the imposition of benefit sanctions.

### **3 Services need to be designed with flexibility and should include 'escape routes' from mandatory programmes, which recognise that some claimants are vulnerable people in need of a great deal of support over long periods of time.**

#### **Problems**

- ◆ Advisers in *On the Receiving End* felt that 'compelling people to look for a job when this was unrealistic for them was... a risky strategy that could have negative outcomes'.
- ◆ Their views accord with previous evaluations of employment programmes (including, most recently, of contracted-out Pathways to Work), which suggest that voluntary participation is associated with better outcomes.
- ◆ But under the new system, virtually all claimants will be compelled to look for work without adequate levels of support being in place or real safeguards provided for those for whom work is not, and may never be, an option.
- ◆ And while previously, the system recognised that high levels of need may exist in any working-age benefit category (ie, jobseeker's allowance, incapacity benefit, employment and support allowance or income support) and levels of conditionality varied to reflect differing needs, universal credit will impose a significant increase in mandatory engagement for all groups, who will face a greater risk of having their benefits sanctioned.
- ◆ A mandatory approach also ignores the fact – as highlighted in *On the Receiving End* – that increased compulsion is unwarranted: 'Despite the very severe and, in many cases, multiple, barriers facing them, all the interviewees were looking for work – regardless of whether they were required to or not. Interviewees had a strong work ethic and realistic job aspirations.'
- ◆ Research also suggests that, in many areas, compulsion generates additional problems and is therefore counter-productive.

#### **Recommendations**

- ◆ Research shows that the provision of personalised support that recognises the particular needs of claimants (eg, from lone parent advisers) is effective and this should be given a much higher priority than the introduction of more sanctions and punishments.
- ◆ Conditionality should take account of each claimant's personal circumstances and the particular barriers s/he faces to employment. It should also take account of the availability of appropriate support that is tailored to her/his needs. Contractors should be rewarded on the basis of delivering high-quality tailored support effectively whether or not the claimant actually gets a job.
- ◆ The requirement that virtually all lone parents should be available for work must be reviewed. Research shows that the majority of lone

parents want to move into jobs – but currently the labour market is not in their favour, and a reliance on compulsion and sanctions represents a tacit admission that what is on offer is of low quality.

- ◆ The government must look again at the overarching principles of a mandatory ‘work-first’ approach, which ignores evidence suggesting that voluntary engagement generates significantly better results, and that mandatory programmes are costly to administer, do not achieve hoped-for results and actively damage the most vulnerable groups.
- ◆ At the very least, the government should conduct comparative trials of voluntary and compulsory approaches to ensure that its approach is evidence-led.
- ◆ The government should divert the significant additional resources needed to implement and administer increased conditionality to promote the generation and marketing of additional services and support.

**4 Claimants with substantial caring responsibilities and those who are ill or disabled should not be compelled to attend work-focused interviews or to engage in job-seeking activities. Instead, high-quality advice and support on looking for and sustaining paid work should be available on a voluntary basis to all groups (including those currently in work).**

### **Problems**

- ◆ Current policies constitute a negation of the important role of parenting and of caring. They ignore the fact that many sick and disabled people contribute to society in different ways, often as volunteers.
- ◆ The proposals ignore the fact that disabled parents (many of whom are also carers) face the double whammy of higher childcare and disability-related costs because of their parenting responsibilities.
- ◆ In 2005 – when the labour market was at its most buoyant – research showed that, while ‘since the late 1990s, the proportion of people aged 25+ with a work-limiting disability who are either unemployed or unable to work has come down from 25 per cent to 20 per cent’, but confirmed that ‘at every level of qualifications, disabled people are more likely to be low paid and more likely to be wanting work’ and suggested that ‘the problem cannot lie solely with disabled people themselves’. The researchers conclude that ‘whatever an individual employer’s intention may be, this is evidence that the labour market effectively discriminates against disabled people’.<sup>12</sup>

### **Recommendations**

- ◆ The government must recognise the valuable role played by parents and carers, and policies should be adapted to support them to fulfil their responsibilities.

- ◆ The government must recognise that work is not always an option for all claimants, and that a much more flexible approach is needed.
- ◆ A more flexible and supportive approach is needed that gives those who wish to engage in work-seeking activities the support to help them do so – while retaining their right to choose what is appropriate for them and those for whom they care (including their children).

## **5 Interventions should be developed to support employers in recruiting and retaining people who have a higher risk of being out of work.**

### **Problems**

- ◆ Over the past 10 years, the welfare reform programme has focused on changing the behaviour of claimants, while failing to engage in a similar way with employers.
- ◆ Increased compulsion (which suggests that sick and disabled people are innately reluctant to seek work) alongside an increasingly strident focus on benefit fraud has resulted in hardened attitudes to some groups – particularly disabled claimants – and this may have a negative impact.
- ◆ Research suggests that creating healthy, flexible work environments that protect people from poverty will increase the likelihood that they can retain jobs, and progress in the workplace. This is particularly relevant for lone parents.<sup>13</sup>
- ◆ Support for employers (such as Access to Work) is being reduced, while support that helps disabled people access employment (such as the mobility component of disability living allowance) has been reduced and/or removed for many groups – and this will generate significant additional barriers to employment.

### **Recommendations**

- ◆ The provision of additional support for lone parents and disabled people (such as support with childcare or disability-related costs) is essential.
- ◆ The government should put in place labour-market interventions – such as job guarantees – as well as developing a strategy for jobs growth across the economy, rather than relying solely on the private sector.
- ◆ More attention should be devoted to the quality and pay of the newly created jobs to ensure that their type and geographical availability can provide a robust route out of poverty.
- ◆ The government must recognise that employers need significantly more support – and encouragement – to offer jobs to vulnerable claimants who are further from the labour market than, for example, recently qualified young people or those who have recently lost their jobs.

**6 Additional support for benefit claimants should be considered. Interpreter services would be very valuable for some claimants whose first language is not English. Extra support services would be valuable for those with dyslexia-type difficulties, especially with making sense of important documents and form-filling.**

### **Problems**

- ◆ Given the cut-backs in the Department for Work and Pensions and the independent advice sector and to a raft of support services across all sectors, it is unlikely that such specialist support will be either available or affordable.
- ◆ Furthermore, *On the Receiving End* suggests that ‘compulsion in welfare-to-work policies was likely to promote poor-quality services, because if people have no choice but to attend a specified training course, for instance, there is no incentive for high-quality services’.

### **Recommendations**

- ◆ The government should review the decision to increase compulsion but, where it is introduced or increased, it should be supported by the delivery of high-quality, personalised services that reflect the needs of claimants seeking employment.
- ◆ The government should recognise that claimants will need considerable support negotiating their way around complex new systems and filling in forms – which they will have to do online.
- ◆ Access to additional training must be made available to all benefit claimants (many of whom may have been let down by the education system) – with high-quality childcare being provided for those who have children.
- ◆ Given the increase in compulsion, it is beholden on the government to fulfil its commitment to ensure that contracted-out employment programmes provide the sort of range of specialist services their clients need. Where standards fall short of the high-quality, tailored support needed, it should be accepted as good cause for not following an order. Support is needed to ensure that claimants can instigate an appeal where appropriate.
- ◆ The quality of specialist support provided to claimants by private contractors should be monitored, not simply the numbers moving into employment.

**7 Evidence from this study and other national and international research and the economic downturn demand a rethink of the UK approach to dealing with benefit claimants. There is little evidence to support the belief that competitive market forces will offer better employment prospects to people who have lost their job, and that private and voluntary sector organisations are better at assisting people in finding work than Jobcentre Plus.**

### **Problems**

- ◆ This report reinforces a substantial body of work reviewing welfare-to-work policies in the UK and in other countries, which raise serious questions about the current approach.
- ◆ The welfare-to-work programme put in place by the previous government has generated a vast literature base which draws on both quantitative and qualitative evaluations of these programmes in the UK<sup>14</sup> – but this does not always inform the policies being put in place.
- ◆ Advisers in *On the Receiving End* expressed concerns that ‘measures to encourage or compel lone parents and ill or disabled people to look for work had been developed without being grounded adequately in evidence from research and evaluation’.

### **Recommendations**

- ◆ The government should adopt an evidence-based approach to the design and delivery of employment programmes. This should include reviewing the extensive evaluations of previous programmes (many of which were commissioned by the DWP), as well as considering international research findings (many of which raise serious questions about increased compulsion and the effectiveness of privatised contracted-out services).<sup>15</sup>
- ◆ If the government is determined to continue the current approach to welfare reform, considerably more personalised support must be provided, and barriers to employment (such as lack of high-quality childcare) need to be tackled *before* putting in place policies that compel families to look for work or face benefit sanctions.

**8 Advisers in Jobcentre Plus and sub-contracted agencies (whether in the private, statutory or voluntary sector) need training, resources and tools to make accurate assessments (and the opportunity for referral to experts) about claimants' needs in all aspects of their lives, to allow for a holistic diagnosis of difficulties.**

**Problems**

- ◆ It is a source of considerable concern that the government appears not to have taken note of the difficulties in the design and delivery of tax credits in 2003 (a significantly less ambitious change). The scheme was marked by significant problems for many years due, in part, to a failure to pilot the scheme adequately, major IT problems, and also to insufficient training and support for both claimants and those implementing the new system.
- ◆ At that time, there was considerable confusion and the advice sector played a vital role in providing the sort of advice, support and training needed to help claimants understand the new system and access their entitlements. Advisers also provided training and support to other organisations and groups responsible for implementing the system.
- ◆ Even with this support, in 2007 (four years after the introduction of tax credits), the Ombudsman was still reporting that ‘for a small, but significant, number of claimants – typically those on the lowest incomes, who are amongst the most vulnerable in society – their experience of claiming tax credits is a highly distressing one.’<sup>16</sup>
- ◆ Although in 2007 the Ombudsman suggested ‘that there are important lessons to be learned, not just for HM Revenue and Customs, but for all public bodies when implementing new policies and systems.’<sup>17</sup>
- ◆ The government is introducing a much more radical reform of the entire social security system at a time when jobs – skills and knowledge – within the independent advice sector and the DWP are being cut.
- ◆ Advisers in *On the Receiving End* expressed concerns that cuts ‘impacted negatively on morale and also led to a reduction in face-to-face contact’.
- ◆ Advisers also reported that there was ‘resistance among Jobcentre Plus employees to a system that sought to ‘take benefits away from people’. Instead, there were calls to provide more holistic support, which matched the calls for holistic wellbeing services raised by benefit recipient interviewees.

**Recommendations**

- ◆ The introduction of radical reform, which constitutes ‘the greatest change to the social security system for 65 years’, means that those administering the system will need considerable extra training, support and advice.

- ◆ The government should ensure that sufficient resources are provided to enable Jobcentre Plus staff to receive adequate training and support to minimise ‘teething problems’ during a time of considerable upheaval and change.
- ◆ Cut-backs within the DWP need to take account of the introduction of universal credit in 2013.
- ◆ The government must also ensure that contracted-out organisations are able to access – and refer some claimants on to – specialist advice services that will enable them to address and meet claimants’ particular needs and to deliver high-quality, holistic services.

**9 Funding streams should continue to be available for agencies providing impartial advice and support about benefits, tax credits and looking for work. This should also involve funding for advocacy work.**

**Problems**

- ◆ Although the provision of early support and advice will be essential to protect claimants during a time of transition and change, specialist advice for the most complex cases, largely funded through legal aid, is under serious threat and will leave many people largely unrepresented and unprotected.
- ◆ Current cuts in welfare benefits advice mean that an advice sector that is already struggling to support claimants who are trying to manage substantial cuts in support will be unable to meet the additional demands created by a completely new system.
- ◆ Problems with the introduction of universal credit will generate significant additional costs in the long term and claimants’ early experiences will be key in determining public support for the reform.

**Recommendations**

- ◆ The introduction of a completely new and complex system requires a vibrant independent advice sector to provide the necessary advice, support and training to ensure its introduction protects claimants and supports those administering it.
- ◆ Long-term funding for specialist advice on welfare benefits is essential to maintain support for those with the most complex cases. Local face-to-face advice must be available alongside online information and telephone advice. This is especially important for those claimants who are particularly vulnerable.
- ◆ The government must review the speed and extent of the changes in the light of the availability of adequate resources to ensure they are implemented effectively.

## Notes

- 1 See T McInness, 'Poverty Watch', *Poverty* 138, CPAG, Spring 2011 (which summarises A Parekh, T McInness and P Kenway, *Monitoring Poverty and Social Exclusion 2010*, Joseph Rowntree Foundation and New Policy Institute, 2010) and R Farthing analysis of 'What can the latest child poverty figures tell us about future policy direction?', 'Poverty Watch', *Poverty* 139, CPAG, Summer 2011
- 2 For a summary of the impact of the cuts on family income, see CPAG's *The Cuts: what they mean for families at risk of poverty*, available at [www.cpag.org.uk](http://www.cpag.org.uk). A new analysis from the Institute for Fiscal Studies undertaken for the Fawcett Society uses existing data and tax-benefit modelling systems that are available to government to model the effect of tax and benefit reforms on households. *The Findings Summary: the impact of 2010-15 tax and benefit changes on women and men* can be downloaded from [www.fawcettsociety.org.uk](http://www.fawcettsociety.org.uk). A *Joint Briefing: report and third reading of the Welfare Reform Bill*, June 2011, can be downloaded from [www.cpag.org.uk/cro/briefings/CPAG\\_jointwrbriefing\\_0611.pdf](http://www.cpag.org.uk/cro/briefings/CPAG_jointwrbriefing_0611.pdf)
- 3 Work and Pensions Select Committee, *Management and Administration of Contracted Employment Programmes: Government Response to the Committee's Fourth Report of Session 2009-10*, 2011, available at [www.publications.parliament.uk/pa/cm201011/cmselect/cmworpen/508/50804.htm](http://www.publications.parliament.uk/pa/cm201011/cmselect/cmworpen/508/50804.htm)
- 4 BBC News, 'Government's welfare-to-work scheme launched: the government's new work scheme has begun, with ministers promising it will give 2.4 million unemployed people help to find jobs over the next five years', 10 June 2011, [www.bbc.co.uk/news/uk-13723477](http://www.bbc.co.uk/news/uk-13723477)
- 5 Department for Work and Pensions, *Support to Incapacity Benefits Claimants Through Pathways to Work: a report by the Comptroller and Auditor General, National Audit Office, The Stationery Office*, 2010
- 6 BBC News, 'Government's welfare-to-work scheme launched: the government's new work scheme has begun, with ministers promising it will give 2.4 million unemployed people help to find jobs over the next five years', 10 June 2011, [www.bbc.co.uk/news/uk-13723477](http://www.bbc.co.uk/news/uk-13723477)
- 7 Department for Work and Pensions, *Conditionality Measures in the 2011 Welfare Reform Bill Impact Assessment*, 2011, available at [www.dwp.gov.uk/docs/lone-parent-conditionality-wr2011-ia.pdf](http://www.dwp.gov.uk/docs/lone-parent-conditionality-wr2011-ia.pdf)
- 8 See for example, V Goodwin, *The Effects of Benefit Sanctions on Lone Parents' Employment Decisions and Moves into Employment*, Department for Work and Pensions Research Report No. 511, 2008; M Mitchell and K Woodfield, *Qualitative Research Exploring the Pathways to Work Sanctions Regime*, Department for Work and Pensions Research Report No. 475, 2009; K Bunt and A Maidment, *Qualitative Research into the Impact of Sanctions in Pathways to Work Pilots*, Department for Work and Pensions Research Report No. 475, 2008; M Peters and L Joyce, *A Review of the JSA Sanctions Regime: summary research findings*, Department for Work and Pensions Research Report No. 313, 2006
- 9 Work and Pensions Committee, *Minutes of Evidence, 7 March 2011: White Paper on Universal Credit*, available at [www.publications.parliament.uk/pa/cm201011/cmselect/cmworpen/743/11012602.htm](http://www.publications.parliament.uk/pa/cm201011/cmselect/cmworpen/743/11012602.htm)
- 10 *Making Work Pay in London Under Universal Credit: a report for London Councils*, Centre for Economic and Social Inclusion, 2011
- 11 For example, J Atkinson, A Bellis and R Marangozov, *Joint Pilots Baseline Research*, DWP Research Report No. 605, Institute for Employment Studies, 2010. This reports that: 'Many of the beneficiaries of these Pilots demonstrate difficult/disturbed personal circumstances and characteristics which make it difficult/impossible for them to aspire to, seek, secure or hold down jobs.' (p2)
- 12 G Palmer, J Carr and P Kenway, *Monitoring Poverty and Social Exclusion 2005*, Joseph Rowntree Foundation and New Policy Institute, 2005, pp14-15, [www.jrf.org.uk/sites/files/jrf/1859353983.pdf](http://www.jrf.org.uk/sites/files/jrf/1859353983.pdf)
- 13 See for example, K Bell, N Braosky, J Fitzgerald, M Greenberg, S Harkness, D Hirsch, E Minoff and A Wadia, *Staying On, Stepping Up: how can employment retention and advancement policies be made to work for lone parents?*, One Parent Families, 2006, and J Millar and M Evans (eds), *Lone Parents and Employment: international comparisons of what works*, Department for Work and Pensions, 2003
- 14 A summary of research findings evaluating welfare-to-work programmes can be accessed via the Department for Work and Pensions website at [http://research.dwp.gov.uk/asd/asd5/report\\_subjects/subjects.asp](http://research.dwp.gov.uk/asd/asd5/report_subjects/subjects.asp)
- 15 See for example, S Wright, *Contracting Out Employment Services: lessons from Australia, Denmark, Germany and the Netherlands*, CPAG, 2008. See also K Nice, J Davidson and R Sainsbury, *Provider-led Pathways: experiences and views of early implementation*, Department for Work and Pensions Research Report No. 595, 2009; D Fister and R Gloser, *Lone Parent Obligations: a review of recent evidence on the work-related requirements within the benefit systems of different countries*, Department for Work and Pensions Research Report No. 632, 2010
- 16 Parliamentary and Health Service Ombudsman, *Tax Credits: getting it wrong?*, The Stationery Office, 2007, p11
- 17 Parliamentary and Health Service Ombudsman, *Tax Credits: getting it wrong?*, The Stationery Office, 2007, p11

# Appendix One

## The interviewees: characteristics, circumstances and type of advice service used

Interviewee	Male/ female	Parent	Disabled/ill	Unemployed	Housing problem	Receiving benefits	Looking for work	Type of advice used
1 Miriam	F	Lone				Tax credits	✓	JCP, TCH, VSLA, LA
2 Sandy	F		✓		✓	Disability living allowance	✓	JCP, VSMA, VSA,
3 Dave	M			✓	✓	Jobseeker's allowance	✓	JCP, VSA
4 Mary	F		✓		✓	Incapacity benefit	✓	JCP, HP, HA
5 Kevin	M			✓	✓	Jobseeker's allowance	✓	JCP, MP
6 Gary	M	✓	✓		✓	Incapacity benefit	✓	JCP, LPP, CAB, LA
7 Janet	F	Lone	✓		✓	Income support	✓	JCP, LPP, HA, SPP
8 John	M	Non-resident	✓			Incapacity benefit	✓	JCP, LPP, HP,
9 Pete	M			✓	✓	Income support	✓	JCP, CX
10 Alison	F	Lone	✓			Income support	✓	JCP, LPP, VSA
11 Dev	M	✓	✓		✓	Income support	✓	JCP, LPP, VSAs
12 Ruby	F	Lone			✓	Income support	✓	JCP, VSA
13 Jasvinder	F	Lone				Incapacity benefit	✓	JCP, MSA, VSA
14 Sudha	F	Lone	✓			Income support	✓	JCP, VSA
15 Shazia	F	Lone				Income support	✓	JCP, VSA
16 Judy	F	Lone				Income support	✓	JCP, VSAs, SPP

Abbreviation	Type of service
JCP	Jobcentre Plus
TCH	Tax Credit Helpline
CX	Connexions
LA	Local authority
HP	Health professional
LPP	Large private provider
SPP	Small private provider

Abbreviation	Type of service
VSA	Voluntary sector agency
CAB	Citizens Advice Bureau
VSMA	Voluntary sector money advice
VSLA	Voluntary sector legal advice
HA	Housing association
MP	Member of Parliament
MSA	Mixed sector agency

# Appendix Two

## Focus group members

Name	Agency represented
Fiona	Disability organisation
Lynn	Public sector union representative (interests of Jobcentre Plus)
Mark	Private employment advice agency
Kelly	Lone parent adviser
Cath	Lone parent adviser
Douglas	Mental health adviser

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