



White Paper on Universal Credit

Submission to Work and Pensions Committee from
Child Poverty Action Group

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1. Introduction:

- 1.1. Child Poverty Action Group recognises the positive intentions behind the proposals to simplify the social security system, increase work incentives and tackle poverty. The system of welfare benefits is complex and poorly administered, and this keeps take up low amongst vulnerable groups.
- 1.2. Although simplifying the system is attractive in principle, great caution is needed in practice because it must respond to the complexity and variety in the lives of claimants and their households. It is well understood that it is means-tested benefits that introduce the greatest level of benefit complexity and also create the unemployment and poverty traps that Universal Credit seeks to address. Another type of complexity has arisen from the growth of a sanctions bureaucracy of doubtful efficacy and the impact over time of incremental changes often designed to make small spending savings, but which result in more complexity.
- 1.3. Whilst not a government document, it is important to recognise the origins of the current proposals in the Centre for Social Justice publication *Dynamic Benefits: Towards welfare that works*.¹ There are now substantial differences between the levels of resourcing and the Marginal Deductions Rates (MDR) they suggested would be needed to have an effective impact and those available today. The impact will be further exacerbated by an £18 billion package of cuts to benefits and tax credits introduced in the Budget and Spending Review which increase both complexity and hardship. This renders the successful introduction of the universal credit harder and costlier to achieve.
- 1.4. CPAG's believes that welfare reform must:
 - provide a national social security system that protects all people of working age and their families against adverse changes in their circumstances;
 - enhance protection against poverty for all families and children (irrespective of their age, status, ethnicity – and whether their parents are in or out of paid work) and make a major contribution to the eradication of child poverty by 2020 as required by the Child Poverty Act 2010;
 - provide a statutory entitlement to high quality and personally tailored support that helps more claimants realise their aspirations to enter decent jobs;
 - be sufficiently flexible to meet the diverse and ever changing needs of claimants throughout the life cycle, responding to the complex combinations of different factors affecting individuals and households – for example disability, ill health, relationship breakdown, bereavement and caring responsibilities;
 - recognise that at any given time a certain proportion of the population will not be able to work, for a variety of reasons and that it is our duty as a society to support them;
 - support policies that prevent claimants becoming excluded from the mainstream of society; and

- ensure couples are not disincentivised from both working and choosing the best split of working hours between them that suits their family responsibilities.

1.5. As they stand, the proposals constitute a fundamental weakening of important principles underpinning social security in the UK. For example:

- Portraying social security as a 'contract' between those who have and those who have not – and between tax-payers and benefit recipients - represents a fundamental reframing of the purposes of the social security system which ignores the fact that benefit claimants pay tax, many working tax payers receive benefits and there is considerable and constant movement between these two groups.
- The rights of those in work, who pay insurance contributions for protection, have slipped off the agenda. We are seeing those rights eroded and although the Universal Credit does not replace contribution based benefits, time limits placed on entitlement mean that the amounts paid in national insurance no longer afford much protection.
- There are dangers that a 'putting all your eggs in one basket' approach will remove a range of financial safeguards for vulnerable families as and when things go wrong – and problems invariably arise during major structural reforms to welfare benefits provision;
- Restricting financial support to the most vulnerable groups in order to influence market forces (for example, housing and childcare) rather than tackling the need for better social infrastructure in these areas and ignoring the wider socio-economic issues that are driving up costs is inequitable and unachievable; social security was not designed as a lever for governments to influence markets and there is scant evidence it can be used effectively for this purpose.
- While the provision of high quality personalised support that enables claimants who face profound structural barriers to employment is vital, paid work will not be appropriate for everybody at all times.
- Conditionality has always been part of the architecture of social security since Beveridge. But proposals to increase conditionality at a time when significant cuts are eroding claimants' rights, access to advice services and access to legal aid – these agencies are experiencing severe cut backs.

2. Child poverty

2.1. A recent analysis by the Institute for Fiscal Studies (IFS) suggests that a further 300,000 children and working age parents will be lifted out of poverty in 2009-2010 – resulting in the lowest levels of child poverty Britain has seen for over 20 years when measured before housing costs (the after housing cost figures represent a greater and more persistent problem).² We are concerned that the cumulative impact of radical cost-cutting policies put in place in the Budget and the Spending Review will squander this historic achievement – and have a disproportionate impact on the most vulnerable groups.³ By the time introduction of the Universal Credit begins in 2013-2-14, the IFS predict both relative and absolute poverty for children and working age adults will have increased.⁴

- 2.2. The Government argues that the introduction of the universal credit could lift 350,000 children out of poverty by 2018. This potential progress is primarily based on the Department's ambitious assumptions about increased take-up levels under the new benefit. Decisions made in the process of implementing the system, such as provision of advice services, promotion of entitlement and setting disregard and taper rates at the right level will all help determine if this desired reduction in child poverty is achievable. **The Department must therefore raise its ambitions so that, rather than a hoped for reduction in child poverty, a reduction of at least 350,000 children below the poverty line is a headline objective that is actively pursued.**

Childcare

- 2.3. Even during an economic boom, delivery of the childcare strategy was patchy, with significant gaps in provision,⁵ and variable quality, and the situation is likely to deteriorate further during the recession. Childcare quality and availability is particularly poor in the most disadvantaged areas. A combination of high costs,⁶ lack of funding,⁷ variable quality⁸ and complexity in financial support for childcare⁹ has generated particular problems. It is particularly important to note that the requirement that lone parents of school-age children be available to work means they are having to rely on that part of the childcare strategy that is the least well-developed -ie, extended schools and out of school childcare.

3. The labour market

- 3.1. Recent figures from the Office for National Statistics show the first quarterly fall in the employment rate since the three months to April 2010. The figures identify a drop in the number of people employed in the public sector while the numbers employed in the private sector remains unchanged.¹⁰
- 3.2. Work that fails to sustain families above the poverty line is a persistent and growing problem. There are now 2.1 million children (58%) below the poverty line in families with work. This highlights one of the most important domestic problems facing government today: **there is entrenched structural poverty that cannot be tackled by the benefit system and must be tackled through the labour market. As much effort must go into addressing causes of poverty in the labour market as is being put into reforming the social security system.**
- 3.3. Given the data that the government will hold on employees and earnings through using PAYE to deliver Universal Credit, it will be more possible than before to identify major employers who exploit poverty pay and the top ups made by the tax payer. The government should commit to investigating if this will provide an opportunity for applying levies to companies that exploit the presence of Universal Credit wage-subsidies in this way.

4. Universal Credit: structure

- 4.1. The Government claims that the Universal Credit will be 'fairer and firmer' and achieve the following: make work pay and improve work incentives; 'reintroduce culture of work' by increasing conditionality; introduce a 'new contract' with 'greater certainty and better incentives'; reduce poverty; reduce administrative costs. The government argues that making the system simpler for claimants and administrators will increase take-up and reduce fraud and error.

- 4.2. Although moves to ensure that everybody is 'better-off' in work are welcome, we do not think that the universal credit is sufficient to reverse an upward trend in in-work poverty that took place during a time of economic prosperity and rising employment.¹¹
- 4.3. Reducing the marginal deduction rate (MDR) is welcome. However, it remains higher than originally envisaged as necessary in the work of the Centre for Social Justice, which proposed a maximum MDR of 55%. In Dynamic Benefits – and is much higher than the 50% tax rate imposed on the highest earners in the UK. This is unfair, especially given many claimants currently had MDRs below the 65% and 76% levels planned for Universal Credit, so will see their own MDR rise.
- 4.4. The universal credit will not remove barriers to employment such as lack of suitable jobs, lack of family-friendly working, discrimination in the workplace, lack of childcare or inadequate transport.
- 4.5. The new system includes a number of elements that may increase barriers to employment. For example:
- Work incentives have been made much worse by the benefit cuts announced in the Budget and Spending Review which have their biggest impact on working families with children. These include cuts to Housing Benefit, tax credits, childcare support, Child Benefit and Council Tax Benefit.
 - An apparent incentive encouraging second earners to give up their jobs or reduce their hours will render it more difficult to access employment if a relationship breaks down and they become lone parents; and it will be more difficult for couples to enhance their total earnings and make decisions that fit their personal circumstances on how to balance each others hours and share of childcare.
 - Although the costs of school meals generate barriers to employment, it is by no means clear what will happen to free school meals under the new system.
 - Access to affordable, high quality childcare is an essential pre-requisite and constitutes the most effective incentive for lone parents to move into and retain employment.¹² Cuts in support for childcare will render it much more difficult for lone parents to seek work.
- 4.6. The universal credit also erodes some important principles, including the idea of an independent income for individuals within couples, even though research on child benefit and carer's allowance shows how targeting additional resources into the mother/carer's purse is vital to contain poverty and enhance wellbeing of children.¹³

5. Support rights and sanctions bureaucracy

- 5.1. Our concerns about proposals to extend conditionality are twofold: firstly, there is scant evidence of efficacy in regard to both sustained work outcomes and poverty reduction for the extent and manner in which conditionality is applied in the system; secondly, evidence shows sanctions are poorly understood, can increase poverty, worsen health and are disproportionately applied to vulnerable groups.
- 5.2. Research in the US suggests that while stringent sanctions are associated with a (potentially short-term) drop in the claimant count, this may be due to people

dropping out of the system completely rather than moving into work.¹⁴ The evidence also suggests that the imposition of sanctions on families can have a profoundly negative impact on the health and wellbeing of children.¹⁵ A more recent summary of research findings identifies an ongoing 'gulf between the rhetoric and the evidence for the effects of sanctions on welfare reform'.¹⁶ Research findings also suggest that benefit sanctions are often ineffective and have a disproportionate impact on the most vulnerable claimants.¹⁷ A report from CPAG reviewing 'welfare reforms' introduced in the US in 1996 found that tough work conditions do not necessarily achieve a high employment rate, that increasing employment does not necessarily reduce child poverty, and that benefit sanctions have an impact on the most vulnerable groups.¹⁸

- 5.3. The costs of administering extensions to sanctions bureaucracy will increase both the administrative burden and costs of introducing the universal credit, and this will further deplete the resources needed to provide high quality personalised support.
- 5.4. The ongoing focus on a sanctions bureaucracy and the continual framing of debate in terms of 'carrots versus sticks' contradicts decades of research by psychologists and behavioural scientists on motivation. It also contravenes a view that has been learned on the ground by private and voluntary sector organisations providing welfare to work services. As the head of one of the leading companies contracted to provide welfare to work services told us: *'You can mandate a jobseeker through the door, but after that they must become a voluntary jobseeker'*.
- 5.5. While recognising a role for conditionality in the system, the fixation on carrot and stick approaches and top-down sanctions impedes delivery of sustained job outcomes. The evidence base suggests that intrinsic, rather than extrinsic, forms of motivation tend to be most effective. Respected fields of research and practice, such as Self Determination Theory (SDT)¹⁹ which have been taken up widely and successfully in areas such as healthcare, education, fitness training, addiction recovery and support for relationships should be used to inform the development of the Work Programme.
- 5.6. The positive intent behind the proposed contract with claimants is fully accepted; however we are not convinced of the proposal in its current form and urge great caution and very careful design. Claimants' engagement, rather than just compliance, is essential to achieving work-related progress and sustained work outcomes. **The legislation should provide a statutory entitlement to high quality and personally-tailored support and much greater effort should be put into the positive marketing of services, including peer-to-peer marketing.**
- 5.7. We also recommend that the Department pilot innovative and evidence based approaches that give greater autonomy to claimants and nurture self-directed behaviour. This might, for example, involved replacing the rigid, top-down sanctions, with personal budgets, similar to those being used for disability payments. A claimant could, with the support of a personal adviser, commission their own work programme services from a choice of public, private and voluntary providers. Our discussion with private and voluntary sector providers has encouraged us to think there would be interest in the piloting of innovative and evidence-based forms of approach.

- 5.8. **Persisting with the expansion of an expensive sanctions bureaucracy with scant evidence of efficacy without even trialling other evidence-based approaches represents poor value for tax payers and is failing to move as many people into work as should be possible.**
- 5.9. Research from the DWP on workfare programmes in the United States, Canada and Australia found little evidence that workfare increases the likelihood of finding work, and is least effective in getting people into jobs in weak labour markets where unemployment is high.²⁰ **We believe that opportunities to engage in work experience should be provided as an entitlement and positively marketed. In no situation should there be mandatory work without pay as there is evidence it may be counter-productive and it damages perceptions about being better off in work.**

6. Simplification and wider welfare system

- 6.1. Complexity – and poor administration - is a major problem. However, there are aspects of the proposals that have so far failed to explain how particular needs of certain groups will be met; and there are other dangers that the new system will create new forms of complexity of its own.
- 6.2. How **carers** fit into the system remains unanswered. We support the proposal from the Centre for Social Justice that support for carers should be increased. We believe that it is vital to retain provision for payment of the couple rate of the carer's and severe disability premiums.
- 6.3. Moving to a system of local **council tax benefit** schemes will complicate the calculations and create 'postcode lottery' problems. It will compromise the aim of making the financial gain from taking up employment more transparent to claimants and easier to calculate.
- 6.4. The form of provision of financial support for **childcare** under the new system and the principles that underpin it are as yet unknown. Access to affordable childcare is in many cases at least as significant as taper rates and earnings disregards for real and perceived work incentives and is often the make or break factor for entering and retaining work. The cuts announced to the maximum childcare costs payable through working tax credit must be reversed and must not be carried into the new system if access to childcare is not to become a greater barrier than it already is.
- 6.5. It remains unknown how the system will deal with the **self-employed**. In contrast to employees, who will be covered by the PAYE 'real time' system, the self-employed will presumably remain subject to the onerous and complex reporting requirements which currently apply, and which undoubtedly act as disincentive to take up self-employment.
- 6.6. Parts of the **Social Fund** – an essential safety net for many vulnerable claimants who find themselves in the most difficult circumstances – will be subsumed into the Universal Credit. The restriction of **budgeting loans** to advances of benefit represents a major cut in provision and the devolution of **community care grants** and **crisis loans** to cash strapped local authorities could leave some claimants effectively destitute.

- 6.7. Replacement of the current system by Universal Credit will mean the loss indicators in the system that are used for **passported benefits**. This is a dangerous recipe for form filling, complexities, 'cliff edges' and erosion of entitlement in areas like access to health benefits and free school meals.
- 6.8. We are strongly opposed to the possible replacement of **hardship payments** by loans and limiting the circumstances in which they would be paid. This will result in long term lowering of benefit claimants incomes for those affected while loans are recovered, leaving their children in a sustained period of exceptional poverty.
- 6.9. Moves to **monthly payments** and the possible loss of payment via post offices could generate weeks of considerable hardship and reduce take-up. This, and the extension of income support **capital limits** to those already in paid work extends monthly means-testing to a much wider group than anticipated and may act in itself as a work disincentive.
- 6.10. Overpayments have always provided additional complexity for claimants and bureaucratic costs under the current system. The Department appears confident that the extent of overpayments will be massively reduced under the new system. Given this confidence, **we recommend that there should either be no overpayment recovery, or a significant level up to which overpayments are disregarded and not recovered for the Universal Credit. It would allow for a significant amount of costly bureaucracy and complexity for both the Department and claimants to be swept aside.**
- 6.11. Support from a range of different sources currently provides some protection to claimants when administrative error or poor decision generates delays. Combining all support into one system presents a greater hazard when errors are made that result in delayed or reduced payments, incorrect decisions and appeals. The Department must design into the system swift and sufficient provision of emergency support and must guarantee a maximum time for the appeals process with quality guarantees.

7. Consultation, design and implementation

- 7.1. We are concerned that the introduction of the universal credit was announced the same day the 21st Century Welfare consultation ended (within which Universal Credit was only one option). There has been no consultation on the Universal Credit and there is very poor public knowledge of the proposals, so we believe the speed at which a reform, which ministers describe as the greatest change since Beveridge, is too fast with too little consultation and public engagement.
- 7.2. Given that this ambitious programme of reform has implications for many millions of people, we urge the Committee to highlight the importance of sufficient time and sufficient information for very thorough parliamentary scrutiny. Draft regulations in key areas must be provided in advance of bill committee sessions in both houses of parliament.
- 7.3. The involvement of the Social Security Advisory Committee (SSAC) – the main UK advisory body on social security matters – is vital. The 6 month rule by which the SSAC is not consulted on regulations made within 6 months of the enactment of parent legislation should not be applied in the case of this bill.

- 7.4. Transition to the Universal Credit will follow staff cuts in DWP and HMRC, and funding cuts for independent advice services and legal aid. This may prevent the new system being delivered effectively, and may prevent people getting the information they need to access their entitlement.
- 7.5. A new IT programme is already being put in place to administer an amalgamated Work Programme and interactions and transfers between existing systems (which may, or may not, be functioning effectively) and two new systems may generate problems. Two reports from the Ombudsman identified a raft of problems with the design and delivery of the tax credits, and problems with the IT system, and these should be taken on board when rolling out the universal credit ²¹ In particular lessons about requisite training and dangers of IT failure must be taken into account.

8. Conclusion

- 8.1. While supporting the core aims of simplicity and increased work incentives, we are extremely concerned that the Government is embarking on such an ambitious and potentially risky programme of reform in such haste in the context of extensive cuts in support for families, service cuts and a contracting labour market.
- 8.2. The reforms must not be used to pare back social security, but to strengthen it. Whilst simplicity is desirable, it is not paramount if it means in future we may lose important support for particular groups, or the benefits of universalism within the system.
- 8.3. Reducing national insurance benefits also removes entitlements to independent income for women – e.g. the reduction of contributory ESA to one year and the consideration being given to folding carers benefits into Universal Credit.
- 8.4. Any benefit that seeks to replicate all the pre-existing tests of entitlement based on work, health and caring requirements will not be simple.
- 8.5. Universal Credit means more means-testing – it spreads monthly assessments to those in work, more onerous reporting requirements and new capital rules to those who currently experience ‘means-testing light’ through tax credits.
- 8.6. We have serious doubts the real time computer system will work – the road to previous DWP and HMRC IT projects were paved with equally good intentions.
- 8.7. As currently outlined, it looks likely to trap more mothers in low-hours, low-paid work and discourages partners from working – this is undesirable as it prevents families in future from staying out of poverty.
- 8.8. Poverty traps are inherent to this type of means-test – and without sufficient investment, marginal deduction rates will not be much improved for some groups.
- 8.9. Key decisions have yet to be taken – chief amongst these is whether Universal Credit will continue to be paid (as child benefit and tax credits are now) to the main carer, including childcare costs.
- 8.10. The proposals are severely reduced in effectiveness, including any reductions in child poverty, by the cuts which will precede them and which will seriously damage work incentives and cause predicted rises in child poverty. The stated

ambition to make inroads into child poverty rates could be thwarted and there is now a real risk that the introduction of Universal Credit can only hope to reduce poverty rates back to the pre-cuts level.

About CPAG

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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End notes

- 1 This report by the Centre for Social Justice, published as part of their Breakdown/Breakthrough Britain series can be downloaded from www.centreforsocialjustice.org.uk
- 2 M Brewer and R Joyce, Child and working-Age Poverty from 2010 to 2013, (commissioned by the Joseph Rowntree Foundation and published by Institute for Fiscal Studies, December 2010) <http://www.ifs.org.uk/bns/bn115>
- 3 We are particularly concerned about reassessment of the remaining Incapacity Benefit claimants, the switch to Consumer Price Index (CPI) indexation of benefits, changes to DLA and Employment and Support Allowance and radical changes to Housing Benefit.
- 4 Mike Brewer and Robert Joyce, Child and working age poverty from 2010 to 2013 (supported by the Joseph Rowntree Foundation and published by the Institute for Fiscal Studies, December 2010)
- 5 Gaps include: lack of childcare for disabled children, out of school childcare including holiday childcare, childcare for older children, childcare for anyone working atypical hours and in some areas, childcare for children under two.
- 6 The costs of childcare in the UK are 2 to 4 times more than in Finland and Québec in Canada, and 4 to 8 times more than in Sweden – see OECD, Babies and bosses: reconciling work and family life: volume 4, Canada, Finland, Sweden and the UK (2010)
- 7 The Government spends around 6.5 billion (or 0.54 per cent of GDP) a year to finance childcare. Even if it doubled this to 1 per cent of the Gross National Product, it would still be half the rate of some other countries - See G Cooke, 4Children, Realising the childcare revolution, 2004.

- 8 An OFSTED report has identified wide local variations in the quality of childcare. OFSTED, Leading to Excellence report can be downloaded from: <http://www.ofsted.gov.uk/Ofsted-home/Leading-to-excellence>
- 9 The way in which childcare is delivered and financed is complex, and take-up of the childcare element of Working Tax Credit is low among disadvantaged groups, and does not cover costs. – see HM Revenue and Customs – Child and Working Tax Credit Statistics, (April 2009)
- 10 See <http://www.statistics.gov.uk/cci/nugget.asp?id=12>
- 11 The most recent Household Below Average Income show that - apart from a brief respite between 1999 and 2004/05 - in-work poverty has been on a rising trend since the late 1970s. Some commentators believe that this trend destroyed Labour's goal of halving child poverty by 2010. See Peter Kenway, 'The untold story of poverty in working households' in The Guardian, 21 May 2010, <http://www.guardian.co.uk/commentisfree/2010/may/21/work-poverty>.
- 12 See T Tomaszewki, J Chanfeau and M Barnes, Lone parents and employment: an exploration of findings from Families and Children Study 2006-2008, DWP working paper 93, 2010) - <http://research.dwp.gov.uk/asd/asd5/WP93.pdf> - confirms that 'research evidence has repeatedly demonstrated that the absence of suitable childcare is a key barrier to work' and that 'for work to be retained, it is important that lone mothers see the transition as an achievable option and one that is beneficial for both them and their children', p.2
- 13 Research on child benefit shows that mothers/carers welcome the money being paid directly to them, as this ensures the money is spent on children (see J Pahl, Money and Marriage, (Macmillan Education 1989). Research on families with disabled children also suggests that paying Carers Allowance to mothers has the same effect. See, G Preston, Helter Skelter: Families, disabled children and the benefit system (CASE paper 92, 2005), and G Preston with M Robertston, Out of reach: benefits for disabled children (CPAG, 2006).
- 14 James Midgley, with commentaries by Kitty Stewart, David Piachaud and Howard Glenniser, CASE/1312 – April 2008 reports 'moving off benefits doesn't necessarily mean 'that they are now working in remunerative jobs and that they are self-sufficient and successful' – 'leaver studies' provide useful information about fate of benefit leavers. (p.32) - <http://sticerd.lse.ac.uk/dps/case/cp/CASEpaper131.pdf>
- 15 A Skalicky and J T Cook, The children's sentinel Nutrition Assessment Program, Boston, Massachusetts, July 2002 - <http://dcc2.bumc.bu.edu/csnappublic/C-SNAP%20Report.pdf>. This study by the Boston University Medical Center found that infants and toddlers in families whose welfare benefits were reduced or eliminated by 1996 welfare sanctions have higher rates of hospitalization and hunger than infants whose families have kept their benefits. The study found that infants and toddlers in families who have been sanctioned have approximately a 50 percent higher risk of being hungry than children whose families receive welfare benefits. It found that children in families who had been sanctioned, as opposed to those in receipt of social security payments who had not, experienced a 30% higher incidence of past hospitalisations, 60% greater risk of 'food insecurity' (including, for instance, being underweight) and a 90% greater risk of being admitted to hospital on an accident and emergency visit.'
- 16 J Griggs and M Evans, A review of benefit sanctions, (Joseph Rowntree Foundation, 2010)
- 17 See, for example, Lone Parent Obligations: a review of recent evidence on the work-related requirements within the benefit systems of different countries, (Dan Fister and Rosie Gloser, DWP Research Report 632, 2009-2010); The effects of benefit sanctions on lone parents' employment decisions and moves into employment (Vicki Goodwin, Department for Work and Pensions, Research Report No 511, 2008) <http://research.dwp.gov.uk/asd/asd5/rports2007-2008/rrep511.pdf>; A review of the JSA sanctions regime: Summary research findings, (Mark Peters and Lucy Joyce, Department for Work and Pensions Research Report No 313, 2006) and Qualitative research exploring the Pathways to Work sanctions regime (by Martin Mitchell and Kandy Woodfield, Department for Work and Pensions Research Report No 475, 2009) - <http://research.dwp.gov.uk/asd/asd5/rports2007-2008/rrep475.pdf>

- 18 Alison Garnham, *Work over welfare: lessons from America?* (CPAG, 2007)
- 19 For more information on Self Determination Theory, see <http://www.psych.rochester.edu/SDT/>
- 20 R Crisp and D R Fletcher, *A comparative review of workfare programmes in the United States, Canada and Australia*, (DWP Research Report 533, 2008)
- 21 The Ombudsman published a special report on the administration of the Child and Working Tax Credits system published in June 2005 (*Tax credits: Putting things right*) which 'highlighted the key issues and challenges that the new system had created for HMRC in the first two years following its introduction, and made twelve recommendations which were intended to help relieve some of those consequences and promote a more customer-focused approach.' Although HMRC made a number of improvements to the administration of the tax credits system, the Ombudsman published a second report - *Tax credits: Getting it wrong* (5th Report—Session 2006-2007, The House of Commons, 8th October 2007 - <http://www.ombudsman.org.uk/improving-public-service/reports-and-consultations/reports/parliamentary/tax-credits-getting-it-wrong/3>) which makes six recommendations, which highlighted the need for 'clear and comprehensive guidance for Tax Credit Office staff' and 'training'.