



Universal Credit inquiry: in-work progression

Response from Citizens Advice Scotland

April 2019

Citizens Advice Scotland (CAS), our 59 member Citizens Advice Bureaux (CAB) and the Extra Help Unit form Scotland's largest independent advice network. Advice provided by our service is free, independent, confidential, impartial and available to everyone.

In 2017-18 the Citizens Advice Service network helped over 295,100 clients in Scotland and dealt with almost 800,000 advice issues. With support from the network clients had financial gains of over £138 million and our self-help website Advice in Scotland received approximately 3.2 million page views.

Introduction and context of response

CAS welcomes the opportunity to respond to the Committee's call for evidence. In 2017/2018, the Scottish CAB network provided advice on 19,047 issues related to Universal Credit (UC). Additionally, CAB advised clients on 10,562 Working Tax Credit and 11,499 Child Tax Credit issues, which are the main in-work benefits that will be replaced by UC.

Since our last response to this inquiry in January 2016, CAB have reported of increasing numbers of clients facing barriers to in-work progression, as well as a number of in-work sanctions. In all cases, in-work sanctions would appear to be ineffective, and even counter-productive, in helping claimants, particularly those with health conditions and disabilities, to progress in work. In the worst cases, sanctions may actually have the opposite of effect of further distancing the claimant from full-time and/or better paid work, as well as increasing, rather than decreasing, in-work poverty.

Summary of recommendations

- In-work conditionality must be appropriately tailored to and an accurate reflection of the individual claimant's circumstances, with proper consideration for any potential barriers, such as ill health, disability, learning difficulties and literacy difficulties.
- In-work progression should focus on helping claimants to find work that is better suited to their skills, experience, ambitions and individual requirements. It should not merely consist of setting targets to apply for a particular number of jobs each week, without regard to suitability or quality. In particular, it should also ensure that people are not forced into low quality, stressful and insecure jobs that may have a detrimental impact on their health, simply for the sake of increasing hours or pay.
- More comprehensive guidance and training should be provided to Work Coaches, both on setting in-work conditionality requirements and supporting vulnerable claimants with a range of needs throughout their work-search journey.

- No more in-work claimants should be sanctioned until a fundamental review of the purpose and efficacy of the sanctions regime has been conducted. This review should address whether applying sanctions has a clear and demonstrable positive impact on helping in-work claimants find appropriate, better paying work.

What barriers do people face to progressing in work, either by working more hours or increasing their pay?

As highlighted in our previous response, CAB evidence suggests that people can face a range of barriers to progressing in work, including, but not limited to: ill health and disability; caring responsibilities; a lack of digital access and skills, and problems associated with zero hours contracts. People who face such barriers may be vulnerable to in-work sanction, as demonstrated in some of the recent case evidence below.

People employed on zero hours contracts (or other arrangements which mean they work varying hours each week)

CAB evidence has highlighted problems for clients with zero hours contracts, often caused by fluctuating and unpredictable work patterns which, in some cases, can vary dramatically week to week. Shifts are also often allocated at very short notice. In these circumstances, it can be particularly difficult for people to maintain additional work search requirements, including attending interviews at Jobcentre Plus. As zero hours contracts are now a common feature of the labour market, this problem is becoming more and more widespread. CAS has seen a small number of claimants on zero hours contracts being sanctioned:

An east of Scotland CAB reports of a client suffering from several mental health conditions who was sanctioned for failing to attend a work search review meeting. The client had actually been offered and accepted a last-minute shift at the time of the appointment, which he called to report as soon as the shift was over, yet he was still sanctioned without warning. The client was very angry and upset and could not understand how he could possibly be sanctioned for working. He then failed to attend subsequent appointments as he felt there was 'no point' as he wasn't getting any money or support from his Work Coach. He received a subsequent sanction for 268 days. The client is on a seriously limited income and states that the stress is exacerbating his already poor mental health. He had to give up his tenancy and move back in with his mother.

Digital access

A claimant's digital skills and ability to access computers and the Internet (in order to search for jobs and update their journals) can act as a barrier to in-work progression. We understand that Universal Credit is designed to be a digital-by-default benefit. However, CAB evidence and CAS research has consistently shown that a significant minority of people do not have the Internet access, digital skills or confidence required to search for work or update their journal online. Within this group, those with disabilities, mental and/or physical health conditions, learning difficulties, poor literacy skills and other complex needs appear to face particular disadvantage

and barriers to online claim maintenance. Some simply may never be able to do so without substantial support.¹ CAS is particularly concerned by evidence of Work Coaches not demonstrating use of the online journal and/or how to search for work online. This can have serious consequences for those who have few or no digital skills, including in-work sanction:

A south of Scotland CAB reports of a vulnerable client whose UC claim was closed due to non-compliance with his in-work conditionality requirements. The client, who, currently works as a part-time kitchen porter and who has worked manual jobs all his life, has no digital skills at all. However, his Work Coach stated that he was 'too busy' to explain and teach the client how to use the online journal. The client is now very concerned about how he will pay his rent and has been referred to a foodbank. He is a recovering alcoholic and is concerned about how the added stress will affect his ongoing recovery. He has had to simultaneously submit a Mandatory Reconsideration and make a new claim for UC, which is adding to his distress.

Alternative, suitably supported offline options to make *and* maintain claims (such as telephony, face-to-face support and home visits) should be available and actively promoted to all claimants as part of both initial and ongoing engagement with Work Coaches. Those with health conditions, disabilities or other complex needs should be specifically targeted for support.

Caring responsibilities

CAB evidence has shown that clients have been unable to increase hours or take up offers of work because there are no suitable or affordable childcare facilities in their local area. This appears to be a particular problem in rural areas in Scotland.² This is likely to result in working parents in Scotland having difficulty meeting mandatory requirements and risking sanctions. We have also seen evidence of working clients who care for relatives having difficulties meeting their conditionality requirements. Sometimes, this is because the relative's care needs fluctuate, which can make it difficult for claimants to comply during times of high need and when claimants are asked for information or to complete a task at short notice:

An east of Scotland CAB reports of a client who was sanctioned for non-compliance with work-search requirements. She works part-time and also lives with and helps to care for her elderly mother. She lives in a rural area and has no digital skills or online access to her journal so is dependant on the Jobcentre on informing her actions to take. She received a call from her Work Coach the previous day, who informed her that she needed to upload information to her journal. Given that she lives in a rural area and takes care of her elderly mother, she was not able to travel to the Jobcentre or library to upload this information immediately. She was then sanctioned for not complying with requirements. The client is unsure how long she has been sanctioned for and is facing increased financial hardship and distress.

¹ Disconnected: Understanding Digital Inclusion and Promoting Access:

<https://www.cas.org.uk/publications/launch-disconnected-understanding-digital-inclusion-and-improving-access>

² Working at the Edge: Childcare – Citizens Advice Scotland

http://www.cas.org.uk/system/files/publications/WAE%20Childcare%20December%202014_FINAL.pdf

Ill health and disability

By their nature, many health conditions and disabilities can limit the amount of hours people are able to work, as well as restrict some of the types of work that they can do. CAB evidence suggests that those with fluctuating conditions may face particularly difficulties, as they may not know week-to-week how much work (or work searching) they can do without it having an adverse impact on their health:

A north of Scotland CAB reports of a young client suffering from anxiety and depression. The client describes his mental health as a barrier to some types of work, as he finds it very stressful to interact with other people on a regular basis. He copes well with repetitive, solitary jobs. However, he is still expected to look for and take any sort of work that he is offered, without regard for how this may impact on his mental health. The client is very concerned about the impact that the 'wrong sort' of work might have on his mental health.

Do work coaches have the training and tools to support people in work effectively? If not, what further training and tools do they need?

CAS fully appreciates that under UC, Work Coaches are faced with increased pressure and required to support a much wider group of people, some of whom have multiple and complex needs, than they were under the legacy system. However, our evidence suggests that these demands are not necessarily met with sufficient training for Work Coaches, particularly in supporting in-work claimants with mental health conditions (especially fluctuating ones). Indeed, CAB advisers have repeatedly highlighted their concerns that Work Coaches do not always fully understand or take into account how a claimant's mental health conditions may impact on their ability to search for and take on more work. This can have a range of detrimental impacts on the individual, including exacerbating mental distress, as described in the case evidence above. More generally, CAB evidence also suggests some difficult relationships between Work Coaches and claimants, with staff being dismissive and/or not listening to claimant support needs and concerns when setting conditionality requirements and during subsequent job search review meetings. This could well be due to a lack of sufficient training or support for Work Coaches themselves. As such, CAS believes that there may be a need for more comprehensive guidance and training for Work Coaches on both setting in-work conditionality requirements for and supporting vulnerable claimants with a range of needs throughout their work-search journey, particularly if they are required to support claimants who may have serious mental and physical health conditions.

What role, if any, should conditionality or sanctions play in encouraging and supporting in-work progression?

Conditionality

CAS does not object in principle to in-work conditionality. However, conditionality requirements must be appropriately tailored to and an accurate reflection of the individual claimant's circumstances, with proper consideration for any potential barriers, such as ill health, disability,

learning difficulties and literacy difficulties. The requirements must also be clear, straightforward and well communicated to the claimant, so that they understand exactly what is expected of them. More generally, CAS believes that conditionality should be part of a holistic system that supports, rather than compels, people into sustainable and meaningful employment. This should involve person-centered support that helps claimants to find work that is better suited to their skills, experience, ambitions and individual requirements. It should not merely consist of setting targets to apply for a particular number of jobs each week, without regard to suitability or quality. In particular, it should also ensure that people are not forced into low quality, stressful and insecure jobs that may have a detrimental impact on their health, simply for the sake of increasing hours or pay. For example, a claimant should not be forced to apply for and accept a zero hours contract if it is unsuitable for their circumstances, if it would cause them any hardship due to fluctuating work patterns, or if it denies the individual their basic employment rights. CAS recognises that there may not necessarily be a sufficient number of suitable vacancies for this approach to in-work conditionality. However, ultimately, we believe that this approach would mean that claimants are more likely to sustain employment, particularly if they are allowed to prioritise jobs that are full-time, long-term and well suited to their skills and interests.³

Sanctions

As with conditionality, CAS does not object in principle to sanctions. However, it remains our view that sanctions should only be applied appropriately, with discretion and as a last resort to deter people who are consistently and deliberately refusing to engage with jobseeking requirements. Stopping someone's benefit means that they will have to manage on a seriously reduced income, which can make it very difficult for them to pay for essentials such as food, gas, electricity, toiletries, clothes and transport. It can also put tenancies and debt repayment arrangements at risk. The distress experienced as a result of a sanction can also lead to a deterioration of a claimant's health. These conditions obviously do not lend themselves to productive jobseeking and can even act as a barrier to finding more work or increasing hours or pay. It is important to note that claimants often find themselves sanctioned without warning and without understanding the reason for the sanction, which can make it difficult for them to understand how to comply with their conditionality requirements. Claimants are also often not aware of the process of challenging a decision.

Since our last response to this inquiry, CAS has seen a steady decline in the overall number of sanctions (for all types of conditionality). However, at the same time, we have also seen a small growth in the number of in-work sanctions, such as those discussed above. These sanctions have occurred both as a result of inappropriate mandatory requirements being set, and because claimants feel that they have not received enough support from their Work Coach to find more work or to increase their hours and/or their pay. Some claimants have also been sanctioned because they do not have the skills or IT access to meet their additional work-search requirements. In all cases, applying in-work sanctions would appear to be ineffective, and even counter-productive, in helping in-work claimants, and particularly those with health conditions

³ CAS response to Improving Lives: The Work, Health and Disability Green Paper
<https://www.cas.org.uk/publications/response-improving-lives-work-health-and-disability-green-paper>

and disabilities, to progress in work. In the worst cases, sanctions may actually have the opposite of effect of further distancing the claimant from full-time and/or better paid work, as well as increasing, rather than decreasing, in-work poverty:

A north of Scotland reports of a client who was sanctioned for not doing enough to increase his hours. The client was very upset as his employer had promised him more hours but these did not materialise, which was not the client's fault. He had also been trying to search for other work, but struggled to do so because he is not computer literate. He states that he has had no additional support from his Work Coach. The client is currently repaying rent and Council Tax arrears but the sanction is seriously hindering his ability to do so, as well as to afford food and other essentials.

For these reasons, it remains our view that no more in-work claimants should be sanctioned until a fundamental review of the purpose and efficacy of the sanctions regime and the impact it has on individuals, families and other services has been conducted. This review should also address whether applying sanctions has a clear and demonstrable positive impact on helping in-work claimants find appropriate, better paying work. This review should be undertaken as a matter of urgency.

What more could the Department do to help in-work claimants increase their earnings and progress in work?

DWP could provide longer slots for routine job search review meetings. This may be particularly beneficial for claimants who face additional barriers to increasing their hours or pay, such as ill health, disability, learning difficulties, literacy problems and a lack of digital access and/or skills. We understand that DWP capacity is limited. However, currently, these meetings last only ten minutes and it is difficult to see how Work Coaches could appropriately and adequately support those with additional needs in such a short space of time. We would also like the Department to take an approach that recognises the different types of barriers that people with health conditions and disabilities in particular face: attitudinal, environmental, organisational and communication barriers. It is not always the case that improving skills and gaining qualifications will increase someone's participation in the labour market, as the job market has some structural barriers that an individual cannot overcome on their own. There should also be consistent recognition that there are other socio-economic barriers to employment that might be just as obstructive as many health-related barriers. These might include access to childcare, economic hardship, unmanageable debt, addiction/recovery issues, relationship issues and housing issues. The Jobcentre should therefore develop strong relationships and referral systems with other local services that offer debt and budgeting support, welfare and housing advice to minimise these barriers to work.⁴ This would help to secure better outcomes for claimants in both the short and long-terms, including increased likelihood that they will enter into sustainable employment.

⁴ Ibid