



Crisis response to the Work and Pensions Select Committee inquiry into in-work progression in Universal Credit

January 2016

Introduction

1. Crisis, the national charity for single homeless people, is pleased to respond to this inquiry into in-work progression in Universal Credit.
2. Crisis has a wealth of experience supporting homeless people into work, and in helping them progress once they have entered work. Within our Crisis Skylight centres, we have a dedicated employment team that helps people prepare for, find, sustain and progress in work. We also have dedicated Progression Coaches and Housing Coaches that work to an integrated model of delivery.
3. Crisis supports the principle of encouraging jobseekers to increase their hours or earnings, where this improves their chances of making a sustained exit from homelessness. Those who have secured a tenancy following a period of homelessness can find it difficult to sustain their tenancy, particularly if their income is uncertain or fluctuates from week to week. Increasing earnings or improving job security can improve an individual's ability to pay their rent, in turn increasing the likelihood of them sustaining their tenancy.
4. In order for this to be achieved, however, support must be designed to build on people's aspirations rather than being used as a punitive measure. Crisis has serious concerns that imposing financial sanctions at the point of entry into work could undermine this aim and instead put people at significant risk of falling back into homelessness.

Summary

5. In this submission we outline the services we offer to help people who are homeless or at risk of homelessness progress in work, and make the following recommendations for in-work support commissioned or delivered by Government:
 - a. People expected to progress in work under Universal Credit should have access to a consistent work coach
 - b. In-work support once people enter work should be personally tailored and designed to build on their aspirations and help them achieve their long-term career goals
 - c. Adult Skills funding should be made available to part-time staff who are seeking to progress in work
 - d. The Department for Work and Pensions (DWP) should produce figures on the additional funding required to provide an adequate level of in-work support
 - e. Jobcentre Plus performance should be measured on job outcomes and progression outcomes in terms of earnings, hours worked and job security, rather than simply measuring off-flow from benefits
 - f. Where vulnerable people are gaining new skills in an entry level job, they should only be supported to take steps to increase their hours or earnings once they are sufficiently ready to do so
 - g. Employers should be incentivised to offer opportunities for in-work progression, such as preference for Government contracts if the employer can demonstrate that they actively

support their staff to progress, without deterring employers from hiring people claiming Universal Credit– given that employers require some confidence in staff retention, even if they cannot offer a promotion or additional hours

- h. In-work conditionality should not be rolled out widely without strong evidence that this approach is effective in helping people increase their hours or earnings
- i. The evaluation of the in-work progression pilots should consider whether it is necessary to include conditionality as part of the model, or whether in-work support is more effective when provided on a voluntary basis
- j. DWP should introduce a new financial assessment *before* a sanction is issued to determine if a sanction is likely to result in homelessness or destitution, in which case it should not be issued
- k. Homeless people and those at risk of homelessness must be identified as such so that in-work conditionality can be suspended
- l. Any in-work conditionality requirements must be tailored to the individual's circumstances and take into account the opportunities available via the local labour market

In-work progression and support for homeless jobseekers

- 6. Crisis is passionate about helping people who have been homeless into work. For those who can work, employment is a long term route out of homelessness, improving self-esteem and confidence and reconnecting them with society. The vast majority (88 per cent) of homeless people want to work, either now or in the future,¹ but very few are in work. During 2012 and 2013 just 2 per cent of Crisis' clients were in full-time work and 5 per cent were in part-time work.²
- 7. Crisis Skylight, our accredited education, training and employment centres, offer practical and creative workshops in a supportive and inspiring environment together with formal learning opportunities that lead to qualifications and finding work. We work with those who are currently homeless, those at risk of homelessness and those with past experience of homelessness. Clients engage voluntarily and take classes to build their confidence and develop their skills before being referred to our employment services team once they are ready to take steps towards work.
- 8. The employment service is delivered through a coaching model, with each client allocated their own trained Job Coach to provide tailored support to overcome the individual's barriers to work. Coaches build trust and encourage clients to take personal responsibility for their journey towards work, as well as providing practical support to write a CV, complete job applications, search for jobs and prepare for interviews.
- 9. At the same time clients have access to a range of other support, including Housing Coaches that provide support to secure access to adequate and affordable housing in the private rented sector. Clients also have access to a Progression Coach who focuses on goal-setting, directing people towards courses, activities and specialist services. Progression Coaches can provide some help with welfare rights and benefits and direct clients towards other wrap around support to promote individual well-being, including support to access to mental health services.

¹ Batty, E., Beatty, C., Casey, R., Foden, M., McCarthy, L. & Reeve, K. (2015) *Homeless people's experiences of welfare conditionality and benefit sanctions*. London: Crisis

² Pleace, N. & Bretherton, J. (2014) *Crisis Skylight: An Evaluation, Year One Interim Report*. London: Crisis

10. In 2014 we worked with 8,078 homeless and vulnerably housed people across eight centres, supporting a total of 646 into employment. Of these, 478 had engaged with our employment services, giving our employment offer a success rate of 25 per cent.³ In addition, 455 clients volunteered and 1337 gained at least one qualification, module or certificate.
11. Our model demonstrates that people who have experienced homelessness and have been out of the labour market for some time can be supported to overcome significant barriers to work. They can often struggle to adjust once they enter work, however, particularly in managing the change in the level and source of their income. Many of our clients are vulnerable to falling into debt at the point of entering work, particularly if they are unprepared for the change in their benefit entitlement and how to deal with this. Job coaches therefore provide support for the first twelve months of employment to support clients to sustain their job. This involves ongoing coaching support with the same job coach, including ongoing support with job-seeking where necessary, as well as support with budgeting and accessing in-work benefits.
12. Crisis Skylight can also offer financial support once a client enters work, such as for travel fares, equipment or appropriate clothing. Clients continue to have access for the first twelve months of employment to Skylight classes and support from a housing coach, both to access accommodation in the private rented sector and to sustain their tenancy.
13. Job coaches provide support not only to clients once they enter work but also to the employer. This can include participating in probationary reviews and appraisal meetings in order to assist clients with issues they are facing in the workplace. Coaches are also able to advocate on behalf of clients if there are issues with their employment, such as difficulties with attendance or sickness, or if the employer is not meeting the terms of the employment contract.
14. An independent evaluation of Crisis Skylight in 2014 found the service to be a major innovation in service provision focusing on the social integration of homeless people. The evaluation found clear indications that Skylight delivers extensive and tangible outcomes in education, training and paid work, as well as enhancing the self-confidence, social support networks and well-being of clients.⁴

Case studies of jobseekers supported to progress in work by Crisis Skylight

A client in London had been a rough sleeper and was studying an accounting degree when she first met her job coach. After looking for finance work she realised that wasn't what she wanted to do, and that she instead wanted to use her experiences to help homeless people. She got a job as a Kiosk Supervisor in the Olympic Park as an interim step. She stayed in this job for five months but left due to stress. Her job coach then helped her research opportunities in the homelessness sector and supported her to apply for a role as a Trainee Support Worker. She was successful in getting an interview and her job coach did intensive interview preparation with her. This resulted in her being offered the job. She has been there two months now and loves her work.

Another client in London had experience as a hairdresser, but had been out of work for some time. He knew what sort of salon he wanted to work in, but wasn't sure how to go about finding and approaching them. His job coach helped him to research salons and drafted speculative letters with him, which he distributed. This resulted in him finding a junior position in a salon he really liked. While he was there he and his job coach continued to work on speculative applications. His coach also helped him develop an online CV which included photos of his work. This resulted in him

³ Based on a total of 1952 members who attended a one to one session with a job coach and/ or an employability class

⁴ Pleace, N. & Bretherton, J. (2014) *Crisis Skylight: An Evaluation, Year One Interim Report*. London: Crisis

securing a Supervisor role in a new salon. After three months he was promoted to Manager and is very happy in his role.

A client was rough sleeping when he came to Crisis Skylight in London, and received help to move into a hostel. He had been an electrician in Holland, but his qualifications were not recognised here. He did a two week work placement with a construction firm through the Crisis job brokerage service. He impressed the employer who arranged an interview with one of its sub-contractors. This resulted in him being offered, and accepting, a job as an Electrical Improver. Whilst working there he applied for a grant from Crisis to fund an Electrician course and a PAT testing course. He impressed his employer who increased his hours during his first few months at work. When his employer realised he was doing a PAT testing course they decided that instead of contracting out their PAT testing, as they had been doing up until then, they would bring it in house and asked him to manage the department. He was in the Electrical Improver job for five months and has been managing the PAT testing department for eight months. He is committed to continuing to do courses to improve his skills and continue to progress in his career. During this time he was also supported to move into a privately rented flat by his Housing Coach.

15. Crisis' person-centred coaching model aims to empower individuals to take responsibility for their own route out of homelessness and into work, capitalising on their aspirations and desire for personal change. The individual's relationship with their job coach is key to the success of this model. To help people manage the transition into work, **people expected to progress in work under Universal Credit should have access to a consistent work coach** who understands their circumstances and can establish trust and rapport over time.
16. Crucially, **in-work support once people enter work should be designed to build on their aspirations and help them achieve their long-term career goals.** This should involve continued discussion with the individual about their goals in relation to work, and support to develop a realistic plan of how they will achieve these goals. Achievable steps might include taking additional courses to improve skills, with a view to enabling the individual to take on a more senior role. Coaches should explore with the client whether there are courses that would help them to move forward in their career and explore options for financing such courses.
17. In our response to the Committee's inquiry into DWP's contracted welfare-to-work provision, Crisis recommended that the Department for Business, Innovation and Skills' Adult Skills budget should be incorporated into the funding model for future employment support, to enable those who are furthest from the labour market to fill basic skills gaps. Crisis believes **Adult Skills funding should be made available to part-time staff who are seeking to progress in work.** Such training could be provided in consultation with the employer, to ensure that courses are tailored to deliver the skills the employer actually needs.
18. For those with low skills or only a limited work history, significant support may be required to help them progress in work. This is likely to require significant investment. **DWP should produce figures on the additional funding required to provide an adequate level of in-work support,** including for those with particular vulnerabilities such as experience of homelessness.
19. For in-work progression to be a realistic goal, however, people must be supported into work that offers routes for progression in the first place, whether this is the possibility of additional hours or of being promoted to a role with additional responsibilities and higher wages. Research recently commissioned by Crisis has identified a troubling 'one size all' approach within the employment support delivered and commissioned by Government that often fails to take into

account claimants' employment preferences or skills.⁵ This is unlikely to support people into work that is sustainable or that will offer sufficient opportunities for promotion or progression.

20. **If claimants are to be required to progress once they enter work, they must be provided with personally tailored support that helps them find work that is appropriate for them**, rather than simply being encouraged to take any work available. To that end, **Jobcentre Plus must measure performance on job outcomes and progression outcomes in terms of earnings, hours worked and job security, rather than simply measuring off-flow from benefits**. As highlighted by the Committee in its report in the last parliament into benefit sanctions beyond the Oakley Review, Universal Credit affords DWP considerable opportunities to develop new and more effective systems using Real Time Information data.⁶
21. For many people who have experienced homelessness and been out of the jobs market for a long time, their route into work will by definition be via low-skilled and low paid entry level jobs, which do not generally offer opportunities for progression. This can nevertheless provide people with vital work experience, skills and improved confidence, which are likely to increase their employability in the future. **Where vulnerable people are gaining new skills in an entry level job, they should only be supported to take steps to increase their hours or earnings once they are sufficiently ready to do so**. Crisis is concerned that, without a personalised and proportionate approach that recognises each individual's capabilities and journey towards work, people's confidence could be significantly undermined just at the point that they are making very real progress.
22. If claimants are to be required to seek increased hours or earnings on a large scale, Crisis believes **it will be important to incentivise employers to take on employees who are claiming Universal Credit at the point of entry into work, and to offer opportunities for in-work progression**. Without such incentives, Crisis has concerns that employers may be dissuaded from hiring people who are likely to ask for additional hours or a promotion or seek work elsewhere, almost as soon as they enter the workforce. Incentives could include giving preference for Government contracts to subcontractors who can demonstrate that they actively support their staff to progress, or introducing a 'kite mark' for employers who support in-work progression.

Homelessness, in-work conditionality and benefit sanctions

23. While Crisis supports the principle of encouraging people to progress in work, we have serious concerns about imposing additional conditionality and financial sanctions at the point of entry into work. Independent research commissioned by Crisis has found that homeless people and those at risk of homelessness are already more than twice as likely to be sanctioned as the general claimant population.⁷ Imposing additional sanctions could further undermine people's journey into work and put them at risk of falling back into homelessness, just at the point that they are successfully rebuilding their lives.
24. Rather than moving people further towards the labour market, our research suggests that sanctions are instead pushing people further from it. 60 per cent of respondents to the survey who had been sanctioned said it had a negative effect on their ability to look for work.⁸ Crisis has

⁵ Batty, E., Beatty, C., Casey, R., Foden, M., McCarthy, L. & Reeve, K. (2015) *Homeless people's experiences of welfare conditionality and benefit sanctions*. London: Crisis

⁶ House of Commons Work and Pensions Committee (2015) *Benefit sanctions policy beyond the Oakley Review: Fifth Report of Session 2014–15*

⁷ Batty, E., Beatty, C., Casey, R., Foden, M., McCarthy, L. & Reeve, K. (2015) *Homeless people's experiences of welfare conditionality and benefit sanctions*. London: Crisis

⁸ Ibid.

long called for an independent review of sanctions, to determine whether they actually fulfil the policy intention of supporting people into employment.

25. While there is little existing evidence to support the Government's claim that sanctions help people into work, in-work conditionality is a new approach that is wholly untested. **Crisis believes in-work conditionality should not be rolled out widely without strong evidence that this approach is effective in helping people increase their hours or earnings.** In particular **the evaluation of the in-work progression pilots should consider whether it is necessary to include conditionality as part of the model,** or whether in-work support is more effective when provided on a voluntary basis.
26. There is a serious risk that, if ineffective, in-work conditionality could have severe unintended consequences beyond simply failing to help people progress in work. Crisis' research into homeless people's experience of benefit sanctions has identified sanctions as a cause of homelessness. 21 per cent of respondents to the research became homeless as a result of a sanction and 16 per cent had to sleep rough. The report also found that sanctions are pushing homeless people into debt and hunger, straining relationships with friends, family and children and exacerbating mental and physical health problems in an already vulnerable population.⁹
27. As a point of principle, Crisis believes financial sanctions should not be issued if they are likely to put people at risk of homelessness or destitution. For those who are already in work, this is clearly counter-productive since this will almost certainly undermine any progress already made to enter employment. **DWP should introduce a new financial assessment before a sanction is issued to determine if a sanction is likely to result in homelessness or destitution, in which case it should not be issued.**
28. More broadly, Crisis believes **people should not be subject to in-work conditionality if they are identified as homeless or at risk of homelessness.** Homelessness can be a very difficult cycle to escape. Those who have experienced one episode of homelessness are at significant risk of experiencing another; nearly three quarters of single homeless people surveyed for Crisis have experienced more than one period of homelessness during their lives and more than half have experienced three periods or more.¹⁰
29. People taking steps to rebuild their lives and end their homelessness should receive appropriate encouragement and support to do so, rather than being threatened with financial sanctions. Suspending conditionality requirements will give vulnerable people time and space to adjust to being in work without the added pressure of having to increase their hours or earnings. To make this possible, **homeless people and those at risk of homelessness must be identified as such.**
30. Homeless people and those at risk of homelessness are often sanctioned because they *cannot* comply with the conditions imposed on them, and not because they *will not* comply. Crisis' research identified widespread support for the principle of conditionality amongst homeless people and those at risk of homelessness, even amongst those who have been sanctioned. Rather than sanctions being the consequence of people wilfully flouting the system, they are often the result of inappropriate and unrealistic conditionality requirements being placed on homeless people, which do not always reflect their ability to effectively seek work.¹¹
31. Crisis is concerned that the insecurity of the current jobs market may make it very hard for people to increase their hours or earnings once they enter work, however much they may wish to. Crisis job coaches report considerable challenges in supporting clients to progress once they

⁹ Ibid.

¹⁰ Mackie, P. (2014) *Nations apart? Experiences of single homeless people across Great Britain*. London: Crisis

¹¹ Batty, E., Beatty, C., Casey, R., Foden, M., McCarthy, L. & Reeve, K. (2015) *Homeless people's experiences of welfare conditionality and benefit sanctions*. London: Crisis

enter work. These include the prevalence of casual contracts offered by employers– often the only work available to those who have been out of the jobs market for some time– meaning that work often isn't predictable or sustainable. Aside from the budgeting challenge of managing an income that fluctuates from week to week, such jobs by definition offer limited, if any, routes for progression.

32. Our employment service in South Yorkshire also reports that clients employed via agencies are often dismissed shortly before they have been in the role for twelve weeks, in order to circumvent the Agency Worker Regulations whereby they would gain additional employment protections. Crisis believes **any in-work conditionality requirements must not only be tailored to the individual's circumstances but must also take into account the opportunities available via the local labour market.** This will prevent people being sanctioned for failure to progress in work, where this is a consequence of significant barriers to work, including the insecurity of the jobs market.

For further information, please contact:

Alice Ashworth

Senior Policy Officer

Crisis

66 Commercial Street

London E1 6LT

Tel: 020 7426 3893

alice.ashworth@crisis.org.uk