

Feeling the Benefit: how Universal Support can help get Britain working

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About the Centre for Social Justice

Established in 2004, the Centre for Social Justice is an independent think-tank that studies the root causes of Britain's social problems and addresses them by recommending practical, workable policy interventions. The CSJ's vision is to give people in the UK who are experiencing the worst multiple disadvantages and injustice every possible opportunity to reach their full potential.

The majority of the CSJ's work is organised around five "pathways to poverty", first identified in our ground-breaking 2007 report, Breakthrough Britain. These are: educational failure; family breakdown; economic dependency and worklessness; addiction to drugs and alcohol; and severe personal debt.

Since its inception, the CSJ has changed the landscape of our political discourse by putting social justice at the heart of British politics. This has led to a transformation in government thinking and policy. For instance, in March 2013, the CSJ report It Happens Here shone a light on the horrific reality of human trafficking and modern slavery in the UK. As a direct result of this report, the Government passed the Modern Slavery Act 2015, one of the first pieces of legislation in the world to address slavery and trafficking in the 21st century.

Our research is informed by experts including prominent academics, practitioners and policy-makers. We also draw upon our CSJ Alliance, a unique group of charities, social enterprises and other grass-roots organisations that have a proven track-record of reversing social breakdown across the UK.

The social challenges facing Britain remain serious. In 2022 and beyond, we will continue to advance the cause of social justice so that more people can continue to fulfil their potential.

Executive Summary

The Prime Minister has made it her mission to ‘get Britain working again’.¹

At the Centre for Social Justice we have long argued that work is the best route out of poverty. With Universal Credit at its core, Britain’s welfare system is now one of the most advanced in the world – and successive governments have made progress in reversing the ‘poverty trap’ that people found themselves in under the old system, smoothing the journey from welfare into work for millions.

But the Prime Minister is right to acknowledge there is much more to do. This is particularly the case given the period of immense turbulence we continue to navigate as a nation. Amid the fallout of the pandemic, war in Ukraine, NHS backlogs, and the ongoing cost of living crisis, more people are now falling out of work and into welfare.

In this paper we reveal the changing appearance of benefits in Britain. While the rise in UK economic inactivity (which hit nine million in October 2022)² is increasingly well known, we wanted to better understand the picture of those who have fallen out of work and onto mean-tested benefits since the pandemic. With an original analysis bringing together six datasets across the Universal Credit and legacy benefit systems, we show for the first time the full extent to which the number of people claiming working-age benefits has risen in recent years.

We find:

- **The total working-age benefit caseload has risen by 23 per cent since the onset of the pandemic**, and by 28 per cent since 2019. There are 1.9 million more people claiming working-age benefits than there were three years ago, and 1.6 million more than pre-pandemic, at a total of 8.7 million people.
- **The caseload for claimants with No Work Requirements (due to poor physical or mental health, disabilities or caring responsibilities) has risen by 15 per cent since the onset of the pandemic**, and by 20 per cent since 2019. We estimate there to be nearly 3.5 million claimants today with No Work Requirements. This is up by 460,000 since 2020, and by over half a million (570,000) since 2019.
- **The pandemic has produced a massive ‘social backlog’**. We estimate there to be around 1.2 million more working-age benefit claimants today than if pre-pandemic trends had continued, including 260,000 more claimants with No Work Requirements.
- **With economic inactivity rising, more people are likely to fall into the benefit claiming cohort**. The Office for National Statistics revealed in October 2022 that 640,000 more people have become economically inactive since the pandemic, including 378,000 who are no longer working due to long-term sickness. The longer people are out of work with health problems the less likely they are to return to employment.³
- **Public spending on working-age benefits has risen by over £13 billion since 2019 in real terms**.⁴ While it is vital that benefits are uprated in line with inflation in 2023 to provide a fair minimum income, the spike in benefit expenditure is driven by a rapidly increasing caseload.

1 <https://www.politico.eu/article/liz-truss-uk-is-britains-new-prime-minister-queen-elizabeth/>

2 <https://www.ons.gov.uk/employmentandlabourmarket/peoplenotinwork/economicinactivity>

3 https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/815944/health-is-everyones-business-proposals-to-reduce-ill-health-related-job-loss.pdf

4 This excludes the emergency Cost of Living support package introduced in 2022 in response to spiking energy bills https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1077091/outturn-and-forecast-spring-statement-2022.xlsx.

We ignore these developments at our peril. Doing so means yet thousands more missing out on the social, financial and health benefits of employment. It means children growing up deprived of the advantages of a home-life shaped by parents going out to work. And it means the economy leaving the immeasurable potential in our communities untapped.

The Government urgently needs a new strategy to respond to this changing picture. Recent moves include raising the threshold at which part-time earners are released from 'work search' requirements (affecting around 114,000 people)⁵ and a £112 million scheme to provide people receiving mental health support (around 100,000) with employment advice.⁶ These are welcome.

But these measures go no way near far enough to respond to the escalating numbers of those falling into welfare and beyond the benefits conditionality regime – that is, those furthest from the labour market but hardest to reach with support.

While many people will never be able to work for reasons of poor health, disability or caring responsibilities, it is a profound social injustice to effectively write off the many thousands who are on sickness benefits but *want* to participate in employment. Surveys of people in the Employment and Support Allowance 'Support Group' have shown that as many as 20–50 per cent of claimants in this group would like to work (which translates, taking the most conservative estimate, to some 700,000 individuals).⁷

Many can't find the opportunities right for them. Many have difficulty overcoming multiple barriers to work at once. Many just need a helping hand. One in three claimants on sickness benefit surveyed said they are interested in receiving work-related support.⁸

At a time of record vacancies – and pronounced labour shortages in several sectors – failing to help this group take advantage of the opportunities in our economy is a dereliction of duty in any fair and just society.

While recent media reporting suggests ministers are considering increasing immigration to fill labour shortages (despite manifesto commitments to the contrary),⁹ helping this disadvantaged and too often marginalised group into work has the potential to slash current vacancies.¹⁰

And so the Centre for Social Justice is calling for a bold new approach.

The Government should re-allocate the £1.2 billion underspend on the Restart Scheme to roll out Universal Support nationally.

Universal Support is an intervention successfully piloted in 2014 by ministers – and the often forgotten 'sister' to Universal Credit – designed to help those facing barriers to the labour market into work and to overcome complex challenges holding them back in their lives.

The purpose of Universal Support is to:

- Identify individuals in need of support with complex barriers to work, including physical or mental health conditions, disabilities, problem debt, social isolation, childhood trauma, housing issues, addiction, relationship problems, caring responsibilities and more.

5 <https://www.gov.uk/government/news/administrative-earnings-threshold-to-rise-for-universal-credit-jobseekers>

6 <https://www.gov.uk/government/news/122-million-employment-boost-for-people-receiving-mental-health-support>

7 20 per cent of respondents to a DWP claimant survey of 2,012 people on Employment Support Allowance and the Universal Credit equivalent expressed a desire to work. 20 per cent of the 3.5 million people claiming benefits with No Work Requirements produces a figure of around 700,000. https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/867820/work-aspirations-and-support-needs-claimants-esa-support-group-and-universal-credit-equival.pdf

8 https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/867820/work-aspirations-and-support-needs-claimants-esa-support-group-and-universal-credit-equival.pdf

9 <https://www.thetimes.co.uk/article/liz-truss-plan-for-more-migrants-to-boost-growth-j2bl2lsnz>

10 There are 1.2 million vacancies according to the Office for National Statistics <https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/bulletins/jobsandvacanciesintheuk/october2022>

- Refer them to a local authority assigned Key Worker who is independent of the Department for Work and Pensions, and is able to build a trusted relationship with vulnerable individuals.
- Provide a bespoke “wrap-around” support plan for vulnerable individuals and people distant from the labour market, including triage and sign-posting to local organisations and community charities best able to help them overcome complex and overlapping barriers to work.

Initial points of referral to (and from) Universal Support include the JobCentre Plus, GP surgeries, Citizens’ Advice, occupational health, third sector organisations such as debt charities, mental health and addiction support groups, local housing associations and councils

We estimate rolling out Universal Support will cost around £1.3 billion to deliver over the course of a Parliament.¹¹ At a time of financial pressure £260 million per annum represents a prudent investment in our economy and workforce, stemming the longer-term growth of the £13 billion post-pandemic welfare increase. Past estimates suggest Universal Support could deliver a return on investment of between £1.5 to £2 for every £1 invested, taking into account reductions in welfare, health and social costs.¹²

To get Britain working our first instinct needn’t be to look further afield. Rather, we must make it a national mission to realise the vast but untapped potential already in our communities. A good first step is rolling out Universal Support.

11 This estimates is made using spending on the comparable Key Worker scheme in Manchester, Working Well, taking an individual cost-estimate and multiplying by the 700,000 people who would most obviously benefit from Universal Support if rolled out nationally. <https://democracy.manchester.gov.uk/documents/s27573/Work%20and%20Health.pdf>

12 <https://www.centreforsocialjustice.org.uk/wp-content/uploads/2020/10/CSJJ8435-Universal-Credit-Universal-Support-201012.pdf>

1. Understanding the claimant cohort: the need for a clearer picture

The experience of the pandemic and subsequent economic disruption has led to speculation about the size and scope of the UK's means-tested benefit cohort, as well as marked changes to the status of economic inactivity in Britain more widely.¹³

At a time of record job vacancies – and pronounced labour shortages in our economy – many have argued that more needs to be done to both encourage and direct economically inactive people (including those in receipt of benefits, many of whom represent a significant minority of the larger inactive group) into the labour market.

The Government has introduced policies aiming to help more people into work, such as raising the threshold at which part-time earners are released from 'work search' requirements (affecting around 114,000 people)¹⁴ and a £112 million scheme to provide people receiving mental health support (around 100,000) with employment advice.¹⁵

At the Centre for Social Justice we have long argued that work represents the best route out of poverty, and that many more people who are the furthest from the labour market should be given better support to reap the financial, social and health benefits of employment.¹⁶

However, to do this effectively, and with the most disadvantaged individuals front and centre, we need an accurate picture of the claimant cohort. For this, we can not rely alone on Office for National Statistics economic activity data; rather we must turn our attention to working-age benefit caseload data. Existing analyses of benefit claimants have focused overwhelmingly on those in receipt of Universal Credit. This is not unreasonable. Universal Credit is a central function of Britain's welfare state and became much more widely known during the pandemic, where it was praised as a 'national asset' by the Chair of the Work and Pensions Committee.¹⁷ The majority of working-age claimants are now in receipt of UC.

The first month of the Covid-19 pandemic in the UK resulted in a record three million new claims for UC – at the time an increase of around 100 per cent.¹⁸ This record increase was initially due to the large numbers who found themselves out of work and unable to benefit from the then Chancellor's Coronavirus Job Retention Scheme ('CJRS, or furlough') or the Self-Employment Income Support Scheme (SEISS).

The most recently published UC data shows that the number of people claiming UC peaked at over six million during the pandemic in March 2021, and is currently 5.6 million (the most recent data is for February 2022).¹⁹ This compares to 2.9 million in February 2020 and 1.7 million in February 2019.²⁰

13 <https://www.telegraph.co.uk/news/2022/06/02/benefits-britain-back-condemning-millions-dependency/>

14 <https://www.gov.uk/government/news/administrative-earnings-threshold-to-rise-for-universal-credit-jobseekers>

15 <https://www.gov.uk/government/news/122-million-employment-boost-for-people-receiving-mental-health-support>

16 For example, see https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/209510/hwwb-is-work-good-for-you-exec-summ.pdf ; <https://www.gov.uk/government/statistics/households-below-average-income-for-financial-years-ending-1995-to-2020/households-below-average-income-an-analysis-of-the-income-distribution-fye-1995-to-fye-2020>

17 <https://hansard.parliament.uk/Commons/2020-11-26/debates/5D5B1DD7-98B8-4A73-88F4-A13084C76B32/CoronavirusOutbreakDWPResponsehighlight--stephen+timms+national+asset#contribution-D5D9E323-10B3-41B6-93F2-301B3B1A9104>

18 <https://stat-xplore.dwp.gov.uk/webapi/jsf/tableView/tableView.xhtml>

19 <https://www.gov.uk/government/statistics/universal-credit-statistics-29-april-2013-to-14-april-2022/universal-credit-statistics-29-april-2013-to-14-april-2022>

20 <https://stat-xplore.dwp.gov.uk/webapi/jsf/tableView/tableView.xhtml>

Recent years have seen significant change in the size and composition of the Universal Credit cohort, due to three main factors:

- The spike in claims triggered by the pandemic
- The end of the pandemic and economic re-opening
- The ongoing migration from (and phasing out of) 'legacy benefits'

The 2019-22 period saw an acceleration in natural migration of benefit claimants onto UC as well as new claimants being directed towards the new system. New claims for legacy benefits such as Working Tax Credit were closed in December 2018. Managed migration – that is, the process by which claimants are moved from 'legacy benefits' such as Working Tax Credit, Employment and Support Allowance, Jobseekers' Allowances and other benefits onto UC – was paused during the pandemic. However, this also meant that all new claims during the pandemic were directed to the digitised Universal Credit system, which was better equipped to deal with the scale and urgency of need during the pandemic. The process of managed migration is set to restart imminently via the 2022-24 Move to UC Strategy.²¹

Importantly, the ongoing rollout of UC and unique context of the pandemic means that looking at the cohort of those claiming UC alone provides only a partial picture of the overall working-age claimant cohort. Wherever possible, we believe that conclusions around the composition of benefits claims should not be drawn from UC data alone but should take into account the wider cohort claiming legacy benefits.

After all, while those on Universal Credit constitute the largest segment of the benefit claiming cohort (we estimate at roughly 64 per cent), this represents just one part of a complex picture and much larger group of people – none of whom should be forgotten.

In this paper we present a new analysis of the working-age benefits caseload drawing together publicly available data across six main employment benefit types:

- Universal Credit
- Employment and Support Allowance
- Incapacity Benefit
- Income Support
- Jobseekers' Allowance
- Working Tax Credit

By compiling the data across all key benefits, we hope to provide a more accurate picture of the whole claiming population – and thus the drivers of growth.

In order to process the various claimant groups into a single framework, we have adopted the Department for Work and Pensions' conditionality regime. It should be noted that legacy benefits do not correlate in a precise way to this conditionality regime, which is used primarily for the administration of Universal Credit. But for the purposes of achieving as complete a picture as possible, it has been necessary to conduct an approximation using categories drawn from the DWP (see Box 1).

21 <https://www.gov.uk/government/publications/completing-the-move-to-universal-credit/completing-the-move-to-universal-credit--2>

Box 1. Department for Work and Pensions conditionality regime

Searching for Work	Not working, or with very low earnings. Claimant is required to take action to secure work - or more / better paid work. The Work Coach supports them to plan their work search and preparation activity.
Working - with requirements	In work but could earn more, or not working but has a partner with low earnings.
No work requirements	Not expected to work at present. Health or caring responsibility prevents claimant from working or preparing for work.
Working - no requirements	Individual or household earnings over the level at which conditionality applies. Required to inform DWP of changes of circumstances, particularly if at risk of decreasing earnings or losing job.
Planning for work	Expected to work in the future. Lone parent / lead carer of child aged 1. Claimant required to attend periodic interviews to plan for their return to work.
Preparing for work	Expected to start preparing for future [work] even with limited capability for work at the present time or [with] a child aged 2. [T]he claimant is expected to take reasonable steps to prepare for work including Work Focused Interview.

Source: DWP Stat-Xplore, 2022

This framework enables us to see broadly:

- how many claimants are in work with no additional requirements to increase their hours or earnings;
- how many are in work but are required to increase their earnings and are eligible for additional Work Coach support to progress in employment;
- how many are not in work but are searching for work; and
- how many are out of work but are not required under current rules to undertake work-related or work-search activities (due to health, disability or caring circumstances).

Looking at this fuller picture²² reveals striking trends in the data, which we outline below.

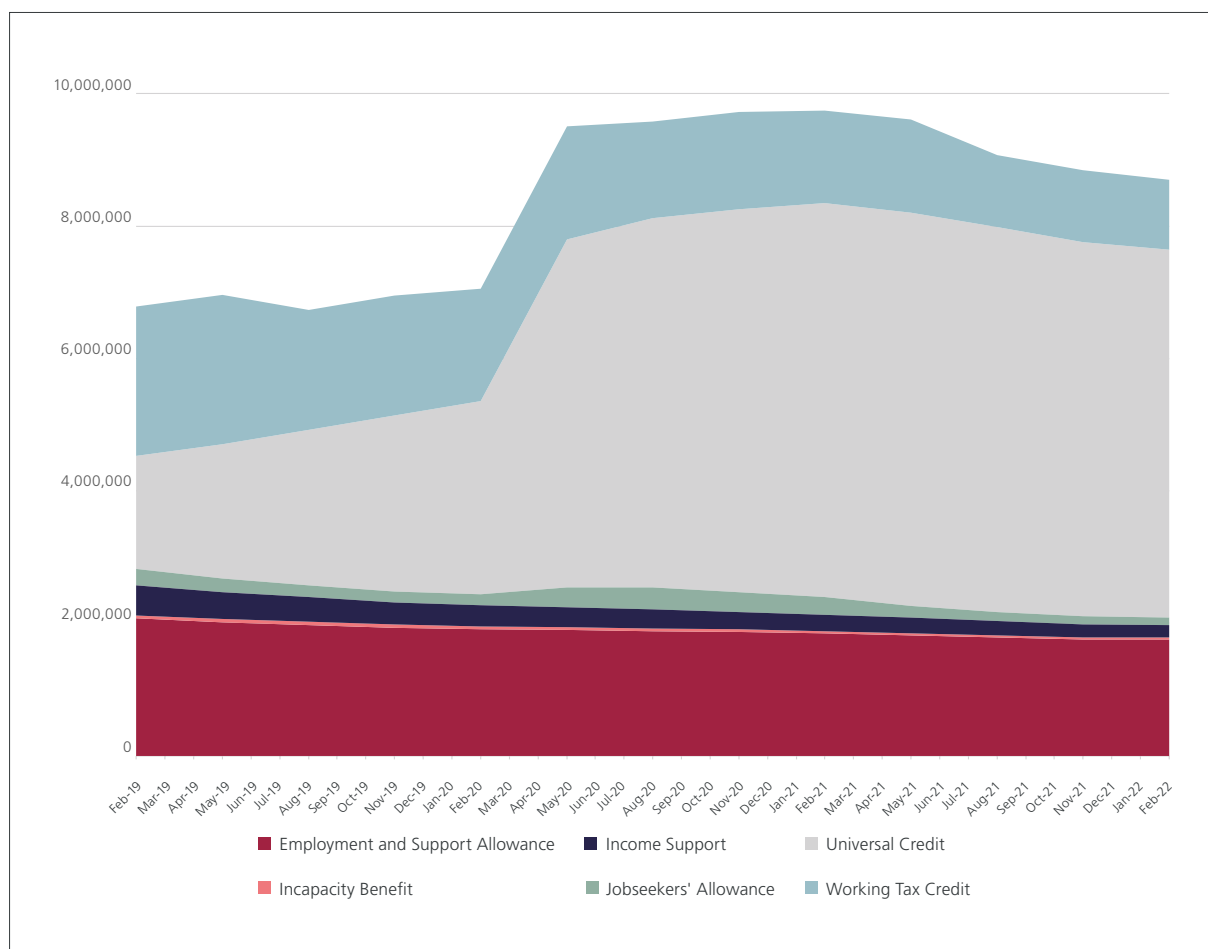
²² For the full methodology, see Appendix A: Methodology

2. Seeing the bigger picture: the bulging welfare caseload

Our analysis finds that the working-age benefit caseload reached 8.7 million people in the most recent publicly available data (February 2022). This figure includes those on Universal Credit, as well as legacy benefits including Employment and Support Allowance, Working Tax Credit, Jobseekers' Allowance, Income Support and Incapacity Benefit.²³

This represents a 28 per cent rise since February 2019, and a 23 per cent rise since the pandemic struck. In total, there are now 1.9 million more people on working-age benefits than in February 2019, and 1.6 million more since the first Covid lockdown (see Figure 1).

Figure 1. People claiming working-age benefits (UC and legacy benefits)



Source: CSJ analysis of DWP Stat-Xplore, HMRC Personal tax credit statistics, 2022

23 Housing Benefit and Child Tax Credit are excluded as non-work related benefits and to avoid duplication

Table 1. People claiming working-age benefits (UC and legacy benefits)

Feb 2019	6.8 million
Feb 2020	7.0 million
Feb 2021	9.7 million
Feb 2022	8.7 million

Source: CSJ analysis of DWP Stat-Xplore, HMRC Personal tax credit statistics, 2022

Comparing the pre-pandemic trend to the data post-pandemic is striking. This analysis – while limited insofar as it is impossible to control for the many social and economic variables driving benefit claims – indicates just how many new benefit claimants were born of the turbulence surrounding the pandemic. We estimate there to be around 1.2 million more claimants today than if pre-pandemic trends had been observed.

Figure 2. People claiming working-age means-tested benefits (pre-pandemic trends vs outturn)

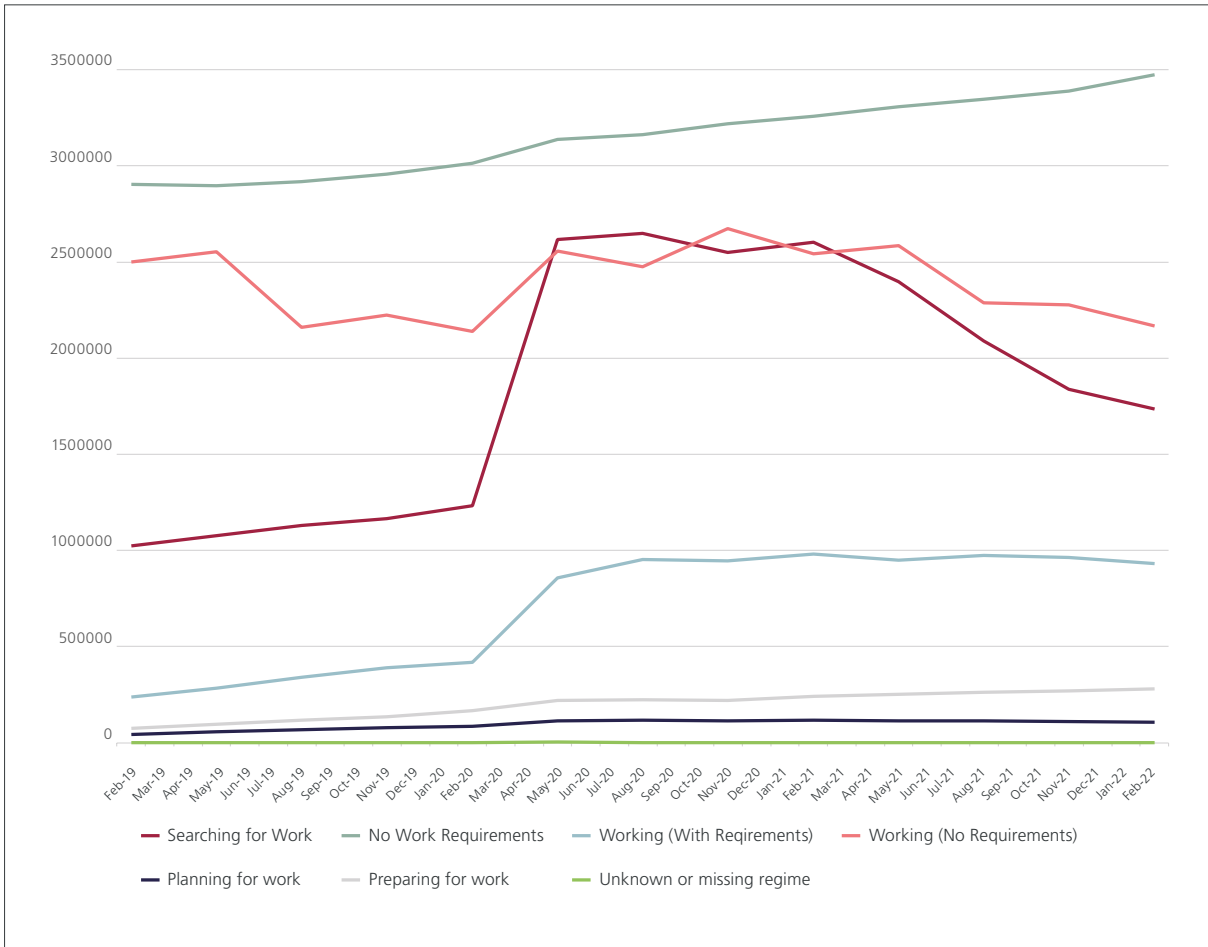


Source: CSJ analysis of DWP Stat-Xplore, HMRC Personal tax credit statistics, 2022

Looking at the breakdown of claimant types within the larger caseload data further illuminates the changing dynamics of working-age benefit claims in Britain – and the main areas of growth.

Figure 3 shows that the No Work Requirements group remains the largest proportion of all claimants, as well as a category that has been steadily growing over the past three years. We estimate there to be nearly 3.5 million claimants in this category today (which includes those on Employment and Support Allowance as well as Universal Credit), many of whom have disabilities or health problems. This is up by 460,000 since the start of the pandemic, and by over half a million (570,000) since 2019.

Figure 3. People claiming working-age means-tested benefits (UC and legacy benefits)



Source: CSJ analysis of DWP Stat-Xplore, HMRC Personal tax credit statistics, 2022

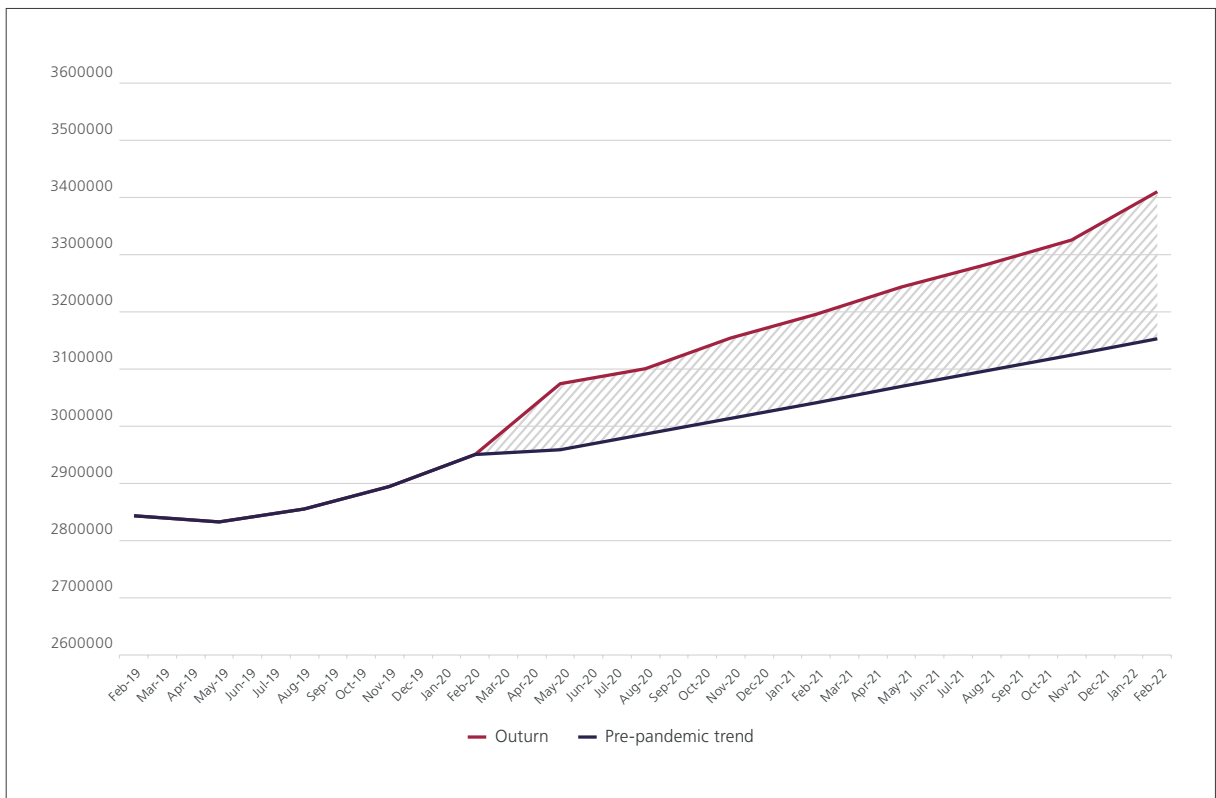
Research by the Health Foundation has found ill-health to be the biggest driver of rising economic inactivity among those aged 50-69 since the pandemic,²⁴ while the Resolution Foundation have pointed to mental health problems specifically as a key driver of economic inactivity between 2006 and 2021.²⁵ Both organisations acknowledge longer-term trends in economic inactivity driven by ill-health which long pre-date the pandemic and are evident in Figure 3.

However, comparing the pre-pandemic trend in the size of the working-age benefit cohort in the No Work Requirements category with post-pandemic data suggests that the turbulence since the onset of Covid-19 has accelerated the growth of this group. We estimate there to be around 260,000 more people on working-age sickness benefits than had pre-pandemic trends continued.

24 <https://www.peoplemanagement.co.uk/article/1801718/covid-not-blame-older-employees-leaving-workforce-study-reveals>

25 <https://www.resolutionfoundation.org/publications/not-working/>

Figure 4. People claiming working-age means-tested benefits with No Work Requirements (pre-pandemic trends vs outturn)



Source: CSJ analysis of DWP, HMRC, 2022

Meanwhile, the cohort of benefit claimants in the Searching for Work category saw a profound rise in Spring 2020 as millions of people very recently in work made Universal Credit claims. The Government has recently introduced policies designed to incentivise this group to take more hours of work and to provide additional support via Work Coaches.

The Searching for Work group is considerably larger compared to pre-pandemic levels (at 1.6 million in 2022 compared to one million in 2019), although the ‘pandemic effect’ appears to have flattened back to trends pre-dating the pandemic (see Figure 5).

Figure 5. People claiming working-age means-tested benefits who are Searching for Work (pre-pandemic trends vs outturn)



Source: CSJ analysis of DWP Stat-Xplore, HMRC Personal tax credit statistics, 2022

Looking at the composition of the working-age benefit claims proportionally is also revealing (see Table 2). The numbers who are Working (No Requirements) increased during the pandemic (as seen on the grey line in Figure 3), probably due to the fall in people’s real incomes increasing the numbers qualifying for in-work UC. However, the proportion of claimants in the Working (No Requirements) category has steadily declined, possibly due to claimants migrating from Working Tax Credit onto UC, which has greater conditionality requirements. It is worth noting that Working (No Requirements) has historically always been a large category, due in part to the large number of people in receipt of Working Tax Credit.

Table 2. Composition of working-age benefit claims

Date	Searching for Work	No Work Requirements	Working (With Requirements)	Working (No Requirements)	Planning for work	Preparing for work	Unknown
Feb-19	15%	43%	4%	37%	1%	1%	0%
Feb-20	17%	43%	6%	30%	1%	2%	0%
Feb-21	27%	33%	10%	26%	1%	2%	0%
Feb-22	20%	40%	11%	25%	1%	3%	0%

Source: CSJ analysis of DWP Stat-Xplore, HMRC Personal tax credit statistics, 2022

In short, what the analysis illustrates is an expanding welfare caseload – up by almost a quarter since the pandemic (23 per cent), and with nearly half a million more claimants on working-age benefits with No Work Requirements for either health problems, disabilities or caring responsibilities. This group now totals around 3.5 million people, compared to 1.7 million who are required to Search for Work.

Meanwhile, the analysis also highlights the extent to which our welfare system is now a machine able to reach people who are *in work* (with 36 per cent of people claiming working-age benefits already in employment). The number of people who are Working (With Requirements) more than tripled from 240,000 in 2019 to 930,000 in 2022.

Yet it is those on means-tested benefits but fall beyond the conditionality regime who should be at the forefront of thinking about who needs additional support into work. At a time of record vacancies – and pronounced labour shortages in several sectors – failing to help this group take advantage of the opportunities around them is a dereliction of duty in any fair and just society.

While recent media reporting suggests ministers are considering increasing immigration to fill labour shortages, helping this disadvantaged and too often marginalised group into work could slash current vacancies and materially improve the lives of thousands. And so the Centre for Social Justice is calling for a bold new approach.

3. The need for Universal Support

With the overhauled welfare system now set up not only to help claimants into work but to progress in work, investing more in Universal Credit is both more transformative for claimants and more fiscally responsible than discretionary support schemes (such as in the form of the Household Support Fund) or emergency hand-outs.

We have called repeatedly for Government to uprate benefit levels in line with inflation in order to provide a fair minimum income in the face of the soaring cost of living. But we also believe more can be done to increase the marginal incentives for claimants to move off welfare and into work. And so we have also called on Government to introduce large effective 'tax cuts' for the poorest households on Universal Credit, including by restoring Work Allowances to their pre-2016 levels, and further cutting the UC taper rate. We restate those recommendations here.

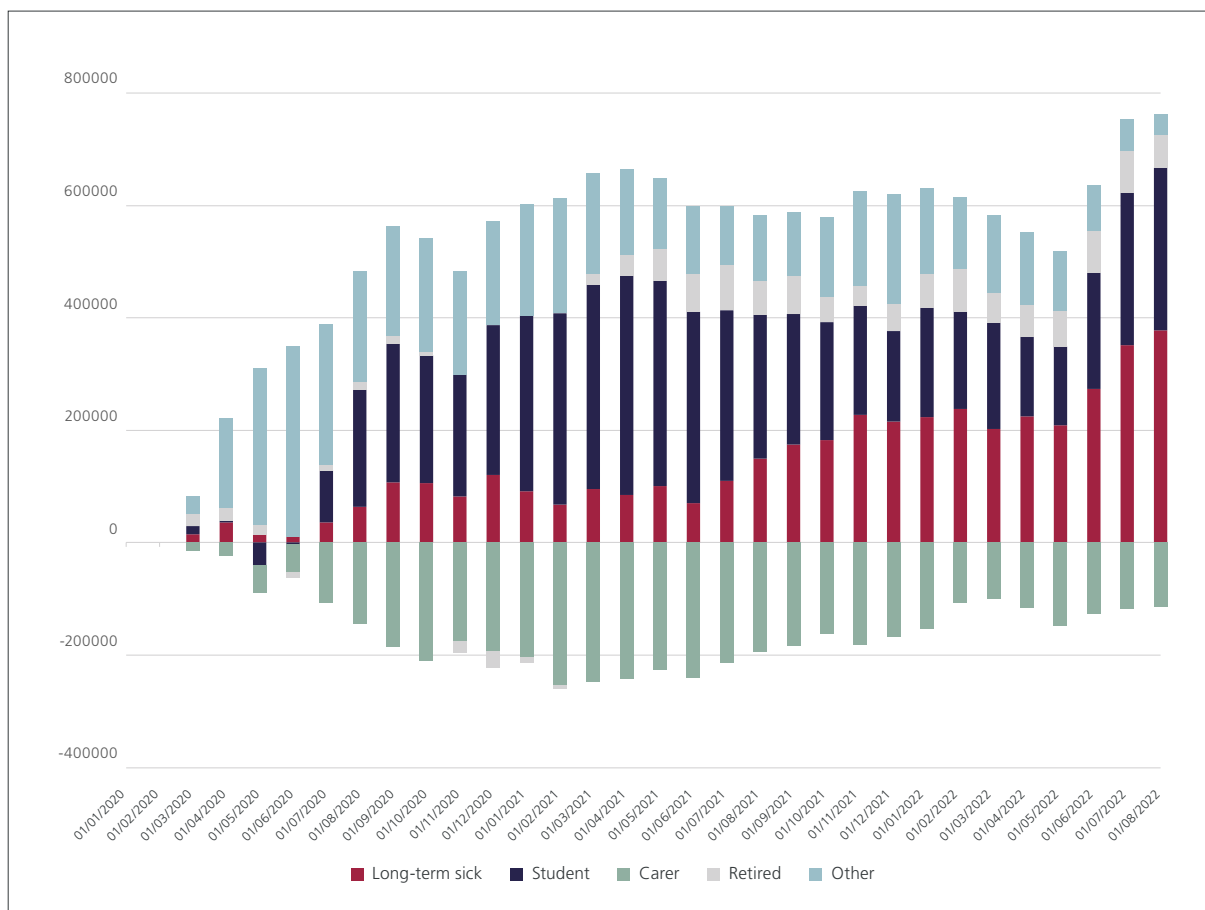
Recommendation: *The Government should follow through on commitments to uprate benefits by the September rate of CPI in April 2023.*

Recommendation: *The Government should restore Work Allowances in Universal Credit, representing an effective tax cut for 1.3 million of the poorest working households worth £634 on average.*

Still, many claimants face complex and overlapping needs which keep them at distance from the labour market. This is reflected in the growing caseload of people claiming working-age benefits with health problems and disabilities.

Indeed, well beyond the benefit claiming cohort alone, we have seen rising rates of economic inactivity more widely among working-age adults. In November 2021 the Resolution Foundation estimated that 600,000 people had stopped working due to worsened mental health. By October 2022, the Office for National Statistics found the number of economically inactive people to have risen to a total of nine million, having increased by 640,000 since the pandemic (including 378,000 more people who are no longer working due to long-term sickness). Crucially, many falling out of work in this way become benefit claimants in the No Working Requirements category that we analysed earlier (and which has increased by over half a million people since 2019).

Figure 6: Reasons behind the change in UK economic inactivity



Source: Office for National Statistics, 2022. Visit *The Spectator* data tracker for more detail.

But it is not just health problems that pose significant barriers to employment. It is a long-standing position of the CSJ that individuals with complex and overlapping needs require interventions that go further than increasing the level of financial support provided through benefits. These complex social obstacles include, but are not limited to:

- Poor physical or mental health²⁶
- Problem debt
- Abusive relationships and / or family breakdown
- Poor educational prospects or outcomes, including poor literacy (including digital literacy)
- Long-term worklessness and benefit dependency
- Social isolation
- Caring responsibilities
- Language barriers
- Unstable housing or homelessness
- Substance or gambling addiction

While many people will never be able to work for health reasons, it is a profound social injustice to effectively write off the many thousands who are on sickness benefits but want to participate in employment. Surveys of people in the Employment and Support Allowance Support Group have shown that as many as 20–50 per cent of claimants would like to work.²⁷

26 Mental health conditions are major barriers for people to access support services. Mental health charity Mind published public statistics from DWP claimant surveys showing that, of people with long-term health conditions, 53 per cent said they needed more support setting up their claim, and 38 per cent said they needed more ongoing support.

27 https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/867820/work-aspirations-and-support-needs-claimants-esa-support-group-and-universal-credit-equi.pdf

A third of claimants on sickness benefit surveyed say they are interested in receiving work-related support.²⁸ Eleven per cent of claimants did not know whether they could work in the future. This group were more likely to have a mental health condition (70 per cent compared to 52 per cent of all claimants).²⁹ Given the expanding welfare caseload – and risk of long-term social scarring of the pandemic – there is now an urgent need to go further to help those facing additional barriers to work.

There is existing into-work support in the form of Access to Work. Access to Work is a DWP-led scheme that can pay for extra support to help people with health problems or disabilities start or maintain employment. This includes grants for specialist equipment to make working easier, help with the cost of travel to work and back, and mental health support.

However, research by the DWP has found there to be low awareness of Access to Work. More importantly, the research identified a desire from claimants for more dedicated, individual support. In-depth interviews undertaken with individuals claiming Employment and Support Allowance and the Universal Credit equivalent is revealing, with claimants expressing an interest in

‘ . . . a dedicated support worker, who would, for instance, help to resolve any problems when starting a new job and help with returning to benefits if work could not be sustained. How support is delivered was also important. Claimants liked the idea of having continuity in support over a sustained period of time (to allow trust to develop); from someone with good interpersonal skills and lived experience of disability. There was thus broad support for the concept of a support worker, to deliver this.’

However, research published by the DWP also found that ‘individuals often said they would distrust an offer of support from DWP/JCP even when what was on offer appealed, due to previous negative interactions and a perceived ‘hidden agenda’ of cutting benefits and costs . . . A key challenge therefore for DWP and JCP in engaging these claimants will be in overcoming the distrust that many claimants have in DWP/JCP.’³⁰

Given the rising numbers of people moving onto sickness benefits, and the many opportunities in the labour market currently out of reach, a bold new approach is needed.

The Centre for Social Justice recommends HM Government roll out Universal Support, an intervention successfully piloted by ministers in 2014 and the forgotten ‘sister’ to Universal Credit, designed to help those furthest from the labour market into work.

The purpose of Universal Support (US) is to:

- Identify individuals in need of support with multiple barriers to work.
- Refer them to a Local Authority assigned Key Worker who is independent of the DWP.
- Provide a bespoke “wrap-around” support plan for the vulnerable individual, including triage and sign-posting to the organisations and groups best able to help them overcome complex and overlapping barriers.

Initial points of referral to Universal Support can include the JobCentre Plus, GP surgery, Citizens Advice, third sector organisations such as Step Change Debt Charity, mental health and addiction support groups, and local housing associations.

28 https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/867820/work-aspirations-and-support-needs-claimants-esa-support-group-and-universal-credit-equi.pdf

29 Ibid

30 Ibid

There is considerable evidence to show how Universal Credit already provides an enhanced level of coaching for claimants.³¹ However, the Key Worker model within Universal Support goes further, acting as a single, trusted person to help people experiencing profound barriers in their lives and with a responsibility to identify and overcome them. It is key that, as per the original design of Universal Support, the programme is administered through local authorities and maintains independence of the DWP (while necessarily working closely with colleagues in JobCentres to identify opportunities for clients and support with the management of ongoing benefit claims).

A limited version of Universal Support focused on money management was withdrawn as policy in 2019, and replaced with the successful Help to Claim scheme administered by Citizens Advice. Help to Claim, which is currently funded until March 2023, should be retained within the new programme. However, Universal Support must explicitly aim to go beyond helping people access and maintain their claims, and work to address complex barriers holding people back. Moreover, the Government should review the rules around the level of earnings current ESA claimants are capped by, and move towards a more flexible, pro-work model that is moderated via the trusted relationships Universal Support Key Workers have with clients – working in partnership with local JobCentres.

We estimate rolling out Universal Support will cost around £1.3 billion to deliver over the course of a Parliament.³² At a time of financial pressure £260 million per annum represents a prudent investment in our economy and workforce, stemming the longer-term growth of the £13 billion post-pandemic welfare increase. Past estimates suggest Universal Support could deliver a return on investment of between £1.5 to £2 for every £1 invested, taking into account reductions in welfare, health and social costs.³³

Recommendation: *The Government should initiate the rollout of Universal Support, jointly administered by the Department for Levelling Up, Housing & Communities and Department for Work & Pensions, to help those experiencing complex barriers to the labour market take advantage of rising job vacancies.*

31 REF [some qual ev in here: <https://demos.co.uk/wp-content/uploads/2022/05/working-together.pdf>]

32 This estimates is made using spending on the comparable Key Worker scheme in Manchester, Working Well, taking an individual cost-estimate and multiplying by the 700,000 people who would most obviously benefit from Universal Support if rolled out nationally. <https://democracy.manchester.gov.uk/documents/s27573/Work%20and%20Health.pdf>

33 <https://www.centreforsocialjustice.org.uk/wp-content/uploads/2020/10/CSJJ8435-Universal-Credit-Universal-Support-201012.pdf>

Appendix A: Methodology

To conduct this analysis of the appearance of means-tested benefit uptake we compiled data from the main work-related legacy benefits (including Income Support, Incapacity Benefit, Working Tax Credit, Jobseekers' Allowance and Universal Credit). We then processed the benefit data into a framework for analysis using the Department for Work and Pensions conditionality regime. Legacy benefits do not correlate in a precise way to UC conditionality regimes; and it has been necessary to conduct an approximation for the purposes of this paper.

To give the best sense of where legacy benefit claimants "sit" within the context of this conditionality structure, the CSJ has made the following equivalences:

Jobseekers' Allowance	Searching for Work
Incapacity Benefit	No Work Requirements
Employment & Support Allowance	No Work Requirements
Income Support	No Work Requirements
Working Tax Credits	Working (No Requirements)

Jobseekers' Allowance (JSA): this benefit is applied for when someone is searching for work. It is income-based. It is no longer possible to apply for JSA. This has been replaced by the Searching for Work category of UC, and so for this analysis we have added JSA to the UC Searching for Work category.³⁴

Employment and Support Allowance (ESA): this legacy benefit is applied for when someone has an illness or disability that affects how much they can work. Although you can apply if you are employed, self-employed or unemployed, it is primarily an out-of-work benefit for those with limited work capability. There are two categories:³⁵

- a work-related activity group (you cannot work now, but can prepare to work in the future, for example by writing a CV)
- a support group (you cannot work now and you're not expected to prepare for work in the future)

For simplicity we have allocated ESA claimants to the No Work Requirements equivalent category of UC, since this is the best available UC equivalent category for the ESA numbers as a whole.

Incapacity Benefit (IB): this benefit was replaced primarily by ESA and then by UC. It is an out-of-work benefit for those with limited capacity for work, so we have allocated it to the No Work Requirements UC equivalent category.³⁶

Income Support (IS): this benefit was claimed by those with a low or no income, working less than 16 hours per week. As an approximation we have allocated this to the No Work Requirements UC equivalent category.³⁷

34 <https://www.gov.uk/jobseekers-allowance>

35 <https://www.gov.uk/employment-support-allowance>

36 <https://www.gov.uk/incapacity-benefit>

37 <https://www.gov.uk/income-support>

Working Tax Credits (WTCs): these are an in-work benefit for those on low incomes. To qualify, claimants must work at least 30 hours a week if they are aged 25 to 59, and at least 16 hours if they are over the age of 60, disabled or are a single person with responsibility for a child. Claimants in a couple with responsibility for a child must work 24 hours between them, with one working at least 16 hours a week. Since these are an in-work benefit without conditionality requirements, we have added them to the Working (No Requirements) UC equivalent category.³⁸

Child Tax Credits (CTCs): those claiming only CTC and not WTCs have not been included. This is because those qualifying for CTC only are likely to be in receipt of another means-tested benefit, and therefore will be represented elsewhere in the data. They have been excluded in order to avoid double counting.

While this is not a perfect methodology, this gives the most accurate picture at a high level of the structure of the benefits cohort. The numbers in receipt of CTC only are not sufficiently large to distort the data enough to alter the overall trends.

Housing Benefit: this is being replaced by the Housing element of UC. It has not been included. This is because it does not correlate to a conditionality regime or work status. Rather, those in receipt of Housing Benefit are likely to be captured by one of the other legacy benefits, such as JSA or ESA, and will therefore be reflected elsewhere in the data.

Likewise, those in receipt of the Housing element of UC will also have a Standard Allowance and will be classified into an appropriate conditionality category by virtue of their work status and the terms of their claimant contract.

While the categorisations we have decided upon are not perfect, the CSJ believes that the equivalences drawn here make for the best overall representation and visualisation of the true picture of the welfare cohort's composition. Any inaccuracies or discrepancies will be minimal in percentage terms.

The CSJ has used DWP data from Stat-Xplore and HMRC data on Working and Child Tax Credits. Beyond these figures, any errors are our own.

³⁸ <https://www.citizensadvice.org.uk/benefits/help-if-on-a-low-income/working-and-child-tax-credits/working-and-child-tax-credits/check-if-you-can-get-working-tax-credits/>

Appendix B: Tables

Table 2. People on working-age benefits by benefit type

	Employment and Support Allowance	Incapacity Benefit	Income Support	Jobseekers' Allowance	Universal Credit	Working Tax Credit	Total
Feb-19	2,073,432	49,420	447,945	250,962	1,706,607	2,255,600	6,783,966
May-19	2,015,450	46,365	406,380	209,284	2,026,245	2,255,600	6,959,324
Aug-19	1,976,374	44,049	372,496	182,792	2,350,373	1,812,000	6,738,084
Nov-19	1,936,451	42,943	340,416	165,918	2,655,220	1,812,000	6,952,948
Feb-20	1,910,387	41,985	318,618	168,064	2,915,508	1,703,000	7,057,562
May-20	1,901,371	40,846	299,111	300,339	5,259,937	1,703,000	9,504,604
Aug-20	1,885,290	40,106	281,383	337,175	5,571,239	1,465,000	9,580,193
Nov-20	1,869,183	39,146	262,383	297,847	5,789,314	1,465,000	9,722,873
Feb-21	1,845,584	37,955	247,360	264,297	5,947,512	1,406,000	9,748,708
May-21	1,815,782	36,947	230,998	179,060	5,938,914	1,406,000	9,607,701
Aug-21	1,784,232	36,132	216,770	137,220	5,806,038	1,092,000	9,072,392
Nov-21	1,751,716	35,286	201,821	115,486	5,652,943	1,092,000	8,849,252
Feb-22	1,751,716	34,374	190,529	109,449	5,560,732	1,051,000	8,697,800

Table 3. People on working-age benefits by conditionality regime category

Date	Searching for Work	No Work Requirements	Working (With Requirements)	Working (No Requirements)	Planning for work	Preparing for work	Unknown or missing regime	Total
Feb-19	1023770	2905765	237454	2499169	44414	73299	95	6783966
May-19	1077010	2895519	283819	2552938	55566	94308	165	6959325
Aug-19	1129257	2918471	339955	2161395	68451	118809	1750	6738088
Nov-19	1165886	2958006	389644	2222734	78687	136733	1251	6952941
Feb-20	1233818	3013117	416728	2139175	85921	167810	997	7057566
May-20	2618677	3136917	855744	2558472	113245	218401	3161	9504617
Aug-20	2648793	3163060	953185	2474280	115897	223303	1671	9580189
Nov-20	2548611	3217554	945806	2674738	115450	219076	1637	9722872
Feb-21	2603555	3259052	982423	2544342	118076	239756	1496	9748700
May-21	2396810	3306122	949525	2586012	115171	252355	1708	9607703
Aug-21	2088067	3346199	974581	2286510	112523	262467	2051	9072398
Nov-21	1837237	3388666	962424	2278394	110526	271072	935	8849254
Feb-22	1735460	3473251	930116	2168185	108347	281557	888	8697804

Box 2. Department for Work and Pensions conditionality regime

Searching for Work	Not working, or with very low earnings. Claimant is required to take action to secure work - or more / better paid work. The Work Coach supports them to plan their work search and preparation activity.
Working - with requirements	In work but could earn more, or not working but has a partner with low earnings
No work requirements	Not expected to work at present. Health or caring responsibility prevents claimant from working or preparing for work.
Working - no requirements	Individual or household earnings over the level at which conditionality applies. Required to inform DWP of changes of circumstances, particularly if at risk of decreasing earnings or losing job.
Planning for work	Expected to work in the future. Lone parent / lead carer of child aged 1. Claimant required to attend periodic interviews to plan for their return to work.
Preparing for work	Expected to start preparing for future even with limited capability for work at the present time or a child aged 2, the claimant is expected to take reasonable steps to prepare for work including Work Focused Interview.

Source: DWP Stat-Xplore, 2022

Feeling the Benefit: how Universal Support can help get Britain working

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