

## The Future of Jobcentre Plus Inquiry

### Gingerbread submission to the Work and Pensions Committee

#### Introduction

1. Gingerbread is the national single parent family charity. One in four UK families with dependent children is headed by a single parent. They account for two million families and three million children. We campaign against poverty, disadvantage and stigma to promote fair and equal treatment and opportunity for single parents and their families.
2. Gingerbread works for single parents to get the help and support they need in order to gain, sustain and progress in employment. Gingerbread monitors single parents' experience of job seeking services through our research, helpline and employability programmes including our respected ten-year programme with Marks and Spencer that partners with Jobcentre Plus.
3. Single parents are highly motivated to work and their employment rate has significantly increased over the last ten years from 55.8% in 2005 to 64.4% in 2015<sup>i</sup> - but remains 8.5 percentage points below the rate for mothers in couples in the UK<sup>ii</sup>. Major government policy objectives, including reducing the number of children growing up in workless households, and the aspiration to achieve full employment, will not succeed without significant growth in maternal employment, in particular single parent employment.
4. Single parents already make up over one in ten - 11.6% of claimants on Jobseekers Allowance<sup>iii</sup>. As conditionality is extended from April 2017, for single parents to look for work when their youngest child reaches three<sup>iv</sup>, a further 220,000 parents, 75% of whom are single parents, will move onto jobseeking requirements<sup>v</sup>.
5. It is therefore timely to assess how well Jobcentre Plus is able to provide tailored services for single parents and address new challenges ahead including working with parents with very young children to find and sustain work that enables them to meet their family's needs.

#### JCP's capacity to provide new, tailored support for particular groups

6. In recent years the focus on broad claimant groups has reduced the visibility of single parents in the welfare to work system and the level of understanding of their particular needs and barriers. Despite considerable evidence in DWP research<sup>vi</sup> of the effectiveness of personalised support from trained specialist staff, access to specialist Lone Parent Advisers is increasingly patchy. Gingerbread has recently observed through for example our interaction with Peckham jobcentre, how Lone Parent Advisers can be particularly effective supporting single parents with pre-school children, identifying training, and drawing together flexible jobs from different job sites. Their understanding of

the need to support access to affordable childcare and how to apply the “flexibilities” that enable single parents to balance work and childcare responsibilities supports the pathway towards employment.

7. In Gingerbread’s view more specialised support for single parents would play an important role in reducing the number of wrongful sanctions that cause distress and hardship to families and are wasteful of JCP resources. 42 per cent of the 206,282 single parent sanction decisions have been overturned since October 2012, compared with 32 per cent of those applied to other claimants<sup>vii</sup>. Examples of calls to the Gingerbread Helpline illustrate how better understanding of the flexibilities that apply could avoid wrongful sanctions:
  - Caller A receiving JSA had her benefit stopped for three months because she turned down night-shift jobs, as she couldn’t find suitable childcare for her young daughter.
  - Caller B on Income Support with a two year-old baby, said her JCP adviser called regularly to tell her she had to apply for jobs, and told her benefits would be stopped if she failed to answer her phone.
8. Better training of JobCentre Plus staff – ideally specialist Lone Parent Advisers – is needed to reduce levels of wrongful sanctions that do not initially take account of caring responsibilities. This will be particularly important once the majority of the flexibilities are relegated to guidance under the provisions of Universal Credit, with the risk that these are given less weight by generalist work coaches.
9. Tailored support for single parent also requires development of a more substantive and effective “offer” including enhanced opportunities to develop skills, opportunities for work experience and better support finding part-time and flexible jobs – the case for resourcing these is set out below.

### **The potential implications for JCP including resourcing and footfall**

10. The importance and benefit of personalised tailored support from experienced JCP staff is well documented in DWP research reports<sup>viii</sup>. The daily reality however is that high caseloads, the National Audit Office Report highlighted that this averaged 168<sup>ix</sup>, and limitations on appointment times, also identified in the report, constrain Jobcentre staff’s ability to provide quality interventions.
11. Considering caseload volume and the pace of change JCP staff have had to respond to recent years, JCP staff do well to achieve rates of almost three in five claimants in receipt of working-age benefits (57 per cent) satisfied with the service offered by Jobcentre Plus to help them find employment, although a significant one in five (19 per cent) were dissatisfied<sup>x</sup>.
12. DWP evaluation has shown that job search reviews are often seen as somewhat basic, focused more on compliance with conditionality rather than substantive job search support<sup>xi</sup> with claimants with complex barriers to

finding work, including many single parents, given limited support. Gingerbread's research<sup>xii</sup> and Helpline calls similarly show the impact of time pressures with meetings weighted towards the procedural, interaction with advisers brief and focussed on checking up on job search activities.

13. JCP work coaches are currently preparing for roll-out at scale of Universal Credit; more frequent interviews for claimants in the early stages of benefit claims; delayed referral of long term unemployed to welfare to work providers; development of an "in work support" offer for UC claimants on low incomes; and improved capability to support particular groups including people with mental health problems.
14. As well as supporting an increasingly diverse caseload mix with a higher proportion of people who will need extra support to move into work, for the first time JCP will be working with single parents with pre-school aged children required to seek work. This group of single parents will need particular and more resource intensive support to get back to work. DWP's evaluation<sup>xiii</sup> of single parents on Income Support with children aged 3 and 4 illustrates the characteristics of this group of parents. They have a strong commitment towards work but do have distinctive constraints to working including caring commitments and childcare but also other barriers such as low qualifications and a lack of recent work experience.

"This group of lone parents had typically spent longer away from work than JSA claimants, including lone parents on JSA"<sup>xiv</sup>.

15. The increased frequency of meetings to weekly for new claimants would seem to divert resources away from where more intensive support for those that need that extra time and we would recommend the committee ask DWP to review and report on the impact.
16. In addition to time with work coaches there are some specific areas where the JCP offer needs to be further developed. Many single parents will be seeking part-time and flexible vacancies to fit with their family's needs. Investment in Universal Jobmatch, the DWP job brokerage service, is needed to enable it to be fit for purpose for families. From looking at the Universal Jobmatch website there is severe shortage of part-time vacancies at any level of pay: of the advertised vacancies in London, 9 February 2016, under 5 per cent of jobs in London and less than 7% in Manchester were advertised as part-time. The competition for part-time work will further increase when conditionality for parents for three and four year olds become jobseekers comes into force in 2017. Without investment – and strong public sector lead on jobs being flexible by default - single parents and other groups needing flexible work, including for instance disabled jobseekers, will have limited opportunities to find work that will make the most of their skills and pay them enough to secure their financial independence.
17. Work experience - with childcare costs paid – should also be an important part of the core offer. DWP's evaluation of the Jobcentre Plus offer shows that only 41% of JSA claimants discussed a work experience opportunity with their advisor (and were more likely as a result to say that the support offered

by Jobcentre Plus felt right for their needs). Only three per cent of lone parents on Income Support said that they had been offered an opportunity to develop some work experience by a Jobcentre Plus adviser<sup>xv</sup>. A recent DWP report on work experience provides additional evidence that taking part in work experience reduces the time 19–24-year-old JSA claimants spend on benefit and increases the time they spend in employment with the cost benefit analysis showing net benefit to both participants and the Exchequer<sup>xvi</sup>.

## Requirements for a cultural change within JCP

18. Fundamental to implementing JCP's ambitious agenda is the need for culture change. The current system is predominantly one of "work first" – with pressure on claimants to take any job rather than a job that lasts and works for their family. It is also heavily focused on compliance with conditionality – neither needed nor effective with single parents who are recognised by DWP as highly motivated to work. Far too much JCP time is taken up with appeals against wrongful sanction decisions to the detriment of time available for personalised support.
19. Two-thirds – 68 per cent – of single parents enter the three lowest paid and often less secure occupational groups with high levels of churn (more than 1 in 5) single parents return to JCP<sup>xvii</sup>. There needs to be a greater emphasis on finding sustainable jobs and for JCP work coaches to be given greater flexibility to allow claimants to train, measuring distance travelled towards work as a successful outcome.
20. There is evidence that shows the link between skills and sustainable work<sup>xviii</sup>. Single parents with a level 3 qualification have longer periods of sustained work, spend less time on out-of-work benefits, command better wages and are more likely to secure increased working hours<sup>xix</sup>. Presently, single parents are more prone to get stuck in, low-paid work than other workers. Holding a level 3 or higher qualification makes a significant difference to the amount of money a single parent can earn<sup>xx</sup>. A shift by JCP towards supporting claimants to improve their skills before they enter work, in order to secure a more stable and better paid job, should be part of the menu of support that work coaches can offer. It may prove more cost effective to skill up single parents ahead of work entry than to try to achieve "in work progression" for low paid single parents at a later stage. We would urge the Committee to recommend that DWP pilot and review the impact and cost effectiveness of these different approaches.
21. For those single parents that already have skills and qualifications JCP work coaches need to support parents into jobs that reflect these abilities. Much more needs to be done to improve the spread of part-time and flexible vacancies through Universal Jobmatch. From our research there is a significant group of single parents who felt that the support that they were offered at JCP was far too basic and generic for their needs.

## The development of suitable performance measures

22. Gingerbread welcomes recognition of the need to improve JCP performance measures. NAO has recommended DWP<sup>xxi</sup> improve how it tracks and understands performance noting that the current off-flow from benefits measurement – not only fails to record the reason for off-flow in 40% of cases – but does not provide an accurate view of claimant outcomes or assess the true impact of jobcentre services. To support a culture shift from “work first” to “sustainable job outcomes” JCP should assess performance linked to achievement of sustained employment. This would assess JCP on a similar basis as the Work Programme where the step towards sustainability rather than just job entry has been positive (although there is some evidence that a proportion of the six-month outcomes are achieved through more than one temporary post rather than a stable permanent post). There may also be merit in incentivising JCP work coaches to support unemployed people into better paid roles by factoring this in to performance management measures. We would encourage the committee to recommend DWP model, consult on and test some of these proposals and to make the case to DWP that it is time to change policy on JCP performance measures and introduce sustainable job outcomes as the key indicator.

## Recommendations

Children in single parent families face around twice the risk of relative poverty as children in couple families and significant proportions of working single parents are still below the poverty line – supporting the family on one salary with one contributor to childcare costs. As main carers single parents also have important responsibilities for the well-being of their child. Improving back to work support at JCP and helping single parents move into better paid and secure employment could make a positive difference to their economic security and support the Government aim to make work a route out of poverty, and reduce the number of children growing up in workless families.

- JCP should recognise single parents as a significant and sizeable claimant group with particular needs and barriers and develop a support offer accordingly. Design of support for single parents with a youngest child aged 3 or 4 year is urgent given new conditionality starts in 2017.
- JCP should invest in training lone parent advisers and enabling single parents to have more quality time developing a personal action plan that will support them into work. Resources can be freed up if focus shifts to supporting a motivated client group, reducing time spent on assessing compliance with conditionality, sanctions available as last resort.
- The increased frequency of meetings to weekly for new claimants would seem to divert resources away from where more intensive support for those that need that extra time and we would recommend the committee ask DWP to review and report on the impact.
- Work experience, broader skilling up opportunities and better support to find flexible or part time work, including investment in Universal Jobmatch,

are needed and there is a strong case for investment in each of these both for families and the Exchequer.

- The impact of supporting skilling up to enable entry into a better paid employment should be assessed alongside “in work progression” support to inform future decision about JCP investment of resources.
- Culture change is essential and shifting JCP performance measures to ones based on sustainable job outcomes could help shift away from a ‘job first’ to a sustainability approach with long term savings as churn is reduced.

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<sup>i</sup> Source: ONS (2015) *Working and workless households, 2015*. Table P

<sup>ii</sup> Eurostat table lfst\_hheredty

<sup>iii</sup> December 2015 590,900 total claimants on JSA 68,305 are single parents. DWP table 1 tabulation tool Lone Parent claimants of Jobseekers Allowance by age of youngest child April 2015-Dec 2015

<sup>iv</sup> Provision in the Welfare Reform and Work Act 2016

<sup>v</sup> July 2015 Welfare Reform and Work Bill Impact Assessment for increased conditionality for three and four year olds

<sup>vi</sup> P Lane et al (2011) *Lone Parent Obligations: Work Childcare and the JSA regime*. DWP research report 782

<sup>vii</sup> Data accessed via DWP Stat-Xplore web tool; data to September 2015

<sup>viii</sup> P Lane et al (2011) *Lone Parent Obligations: Work Childcare and the JSA regime*. DWP research report 782

<sup>ix</sup> 13 Feb 2013 National Audit Office report on JCP

<sup>x</sup> Feb 2016 DWP Claimant Service and Experience Survey 2014/15

<sup>xi</sup> Nov 2013 The Jobcentre Plus Offer: Final Evaluation report DWP Research Report number 852

<sup>xii</sup> Whitworth, A. (2012) *Tailor-made? Single parent's experiences of employment from Jobcentre Plus and the Work Programme*. London Gingerbread.

<sup>xiii</sup> Nov 2013 The Jobcentre Plus Offer: Final Evaluation report DWP Research Report number 852

<sup>xiv</sup> Ibid P152

<sup>xv</sup> Nov 2013 *The JobCentre Plus Offer: Final evaluation report*,

<sup>xvi</sup> March 2016 Work experience: A quantitative impact assessment, DWP

<sup>xvii</sup> Newis, P (2012) *It's off to work we go? Moving from income support to jobseekers allowance for single parents with a child aged five*. Gingerbread.

<sup>xviii</sup> Sept 2012 Key findings: *The Only Way is Up? The employment aspirations of single parents* Gingerbread

<sup>xix</sup> Source: ONS (2015) *Working and workless households, 2015*. Table P

<sup>xx</sup> Vaid, L (2014) *What are the costs and benefits of supporting single parents to gain level 3 qualifications prior to returning to employment.* Unpublished report. London: Centre for Economic and Social Inclusion.

<sup>xxi</sup> HC 955 Session 2012-13 *Responding to change in jobcentres* National Audit Office Report on DWP