

Written evidence submitted by the Welfare at a (Social) Distance research project (BSW0022)

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Welfare at a (Social) Distance is a major national research project investigating the benefits system during the COVID-19 pandemic, funded by the Economic and Social Research Council as part of UK Research and Innovation's rapid response to COVID-19. For more information on the project or to contact the team, please visit <https://www.distantwelfare.co.uk/>

This written evidence is submitted on behalf of the Welfare at a (Social) Distance project. The project comprises a nationally representative survey of benefit claimants; in-depth interviews with claimants; and local area case studies of support organisations. As such the project is uniquely placed to provide insights into how the social security benefits system is functioning during the pandemic.

This submission draws on our major reports [Claimants' experiences of the social security system during the first wave of COVID-19](#) (published February 2021) and [Navigating pandemic social security: benefits, employment and crisis support during Covid-19](#) (February 2021). It also draws on two reports funded by the Health Foundation: [Non-take up of benefits at the start of the Covid-19 pandemic](#) (April 2021) and [Should social security reach further? Ineligibility for benefits at the start of Covid-19](#) (May 2021). For details of the methodology underpinning the findings outlined below, please refer to these reports.

In addition to our responses to the Committee's specific questions below, we would be very happy to provide any supplementary information that may be of use.

For more information on the project, please visit www.distantwelfare.co.uk.

Response

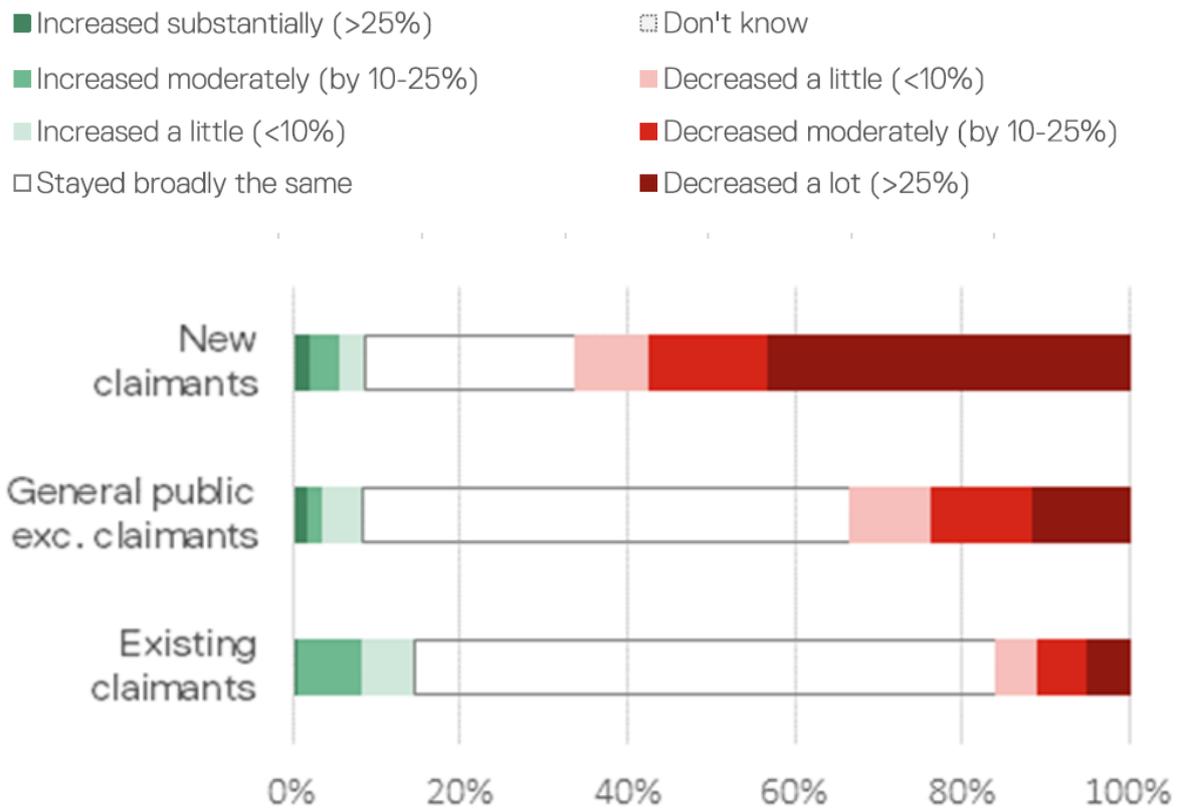
1. What are the key challenges for the benefits system in Wales and how do they differ from the other nations and regions of the UK?

- 1.1. During COVID-19 the Department for Work and Pensions (DWP) made changes to the generosity of the working-age benefits system by raising the basic element of Universal Credit (UC) and Working Tax Credit by £20 per week. However, serious challenges remain around financial adequacy.
- 1.2. In our study, legacy Jobseeker's Allowance (JSA)/ Employment Support Allowance (ESA) claimants, who did not receive the uplift, reported the highest levels of food insecurity.

1.3. However, our data suggests that, even with the £20 uplift, UC benefit levels are inadequate for many claimants. As such, in the longer term, there is a need for a wider consideration of the adequacy of the benefits system.

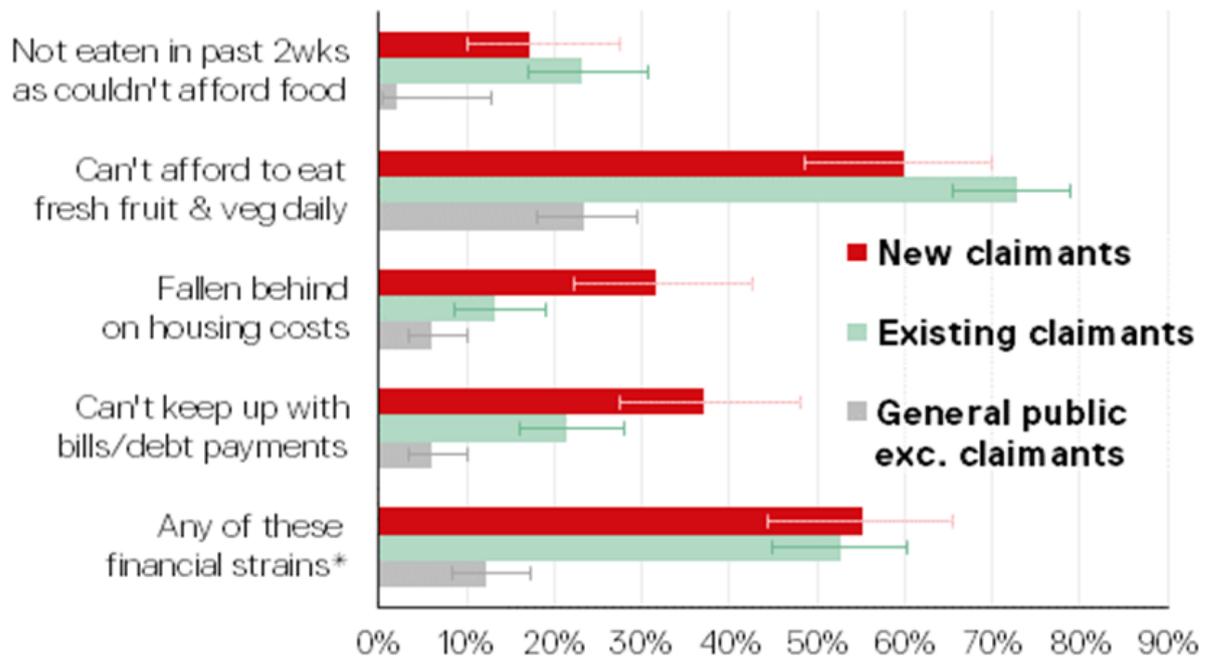
1.4. We found that 72% of new UK benefit claimants reported that their household income fell at the start of the pandemic, and over half (52%) reported a substantial decrease in income of over a quarter. Compared with the general public (exc. claimants), twice as many new benefit claimants reported a fall in their household income. The figures for Wales only are shown below.

Figure 1: Change in income since the COVID 19 pandemic started (Wales)



1.5. Some claimants experienced severe financial strain during the pandemic. Figures from our survey for Wales are shown below.

Figure 2: More severe financial strains among benefit claimants (Wales)



1.6. Many claimants saw the pandemic as a brief interruption to their household/ financial situation and anticipated returning to normal by September 2020. They were depleting reserves and accumulating debt to meet the basic needs of their family. In the context of a recent third national lockdown, claimants were facing depleted reserves, poor employment prospects and reduced support/provisions from the government.

1.7. We advocate that the £20 uplift remains and is also extended to JSA/ESA claimants. However, our data suggests that, even with the £20 uplift, benefit levels are inadequate for many claimants. There is serious concern over accumulated debt that could push some claimants over a financial 'cliff edge' as the £20 uprating is withdrawn. As such, in the longer term, there is a need for a wider consideration of the adequacy of the benefits system (see below).

1.8. The changing demographics of the COVID claimant cohort

1.9. From the beginning of March 2020, the claimant count in the UK increased by 116.8%, rising from 1.2 million to 2.7 million in just five months. The majority of new claims have been for UC, but also include other unemployment-related out-of-work benefits. UC received 1.8 million new claims in the five weeks spanning the end of March and beginning of April 2020: this includes people in work as well as those out of work.

1.10. Our research has found that those claiming during the pandemic are more likely to be younger, more highly educated and less likely to have a disability.

- 1.11. Specifically, we found that the composition of the new cohort of COVID-19 claimants is likely to be:
- Younger: almost half (46%) of new benefit claimants are aged between 18 and 39 years old compared to 37% of existing claimants;
 - BAME: 8% of new claimants are from BAME backgrounds compared to 6% of existing claimants;
 - Male: 49% of new claimants are male compared to 43% of existing claimants;
 - Not experiencing a disability: only 38% of new claimants experience a disability or health condition compared to 67% of existing claimants;
 - From a higher 'social grade': more than a quarter (26%) of new claimants are from social grade AB compared to 15% of exiting claimants;
 - University graduates: almost a third (32%) of new claimants had a university diploma or above compared 26% of existing claimants (in part this is driven by the younger age profile of claimants, but it is also evident when focusing exclusively on those aged 18-39); and
 - Owner occupiers: 29% of new claimants were owner occupiers compared to 25% of existing claimants and only 13% of new claimants were social renters compared to 33% of existing claimants.
- 1.12. This cohort of claimants has different needs, notably: they are likely to experience a greater level of income shock when moving onto benefits and they have variegated employment histories and potential future trajectories. Many in this cohort will likely have little experience of social security, and may need access to support when understanding eligibility or for applications.
- 1.13. It remains to be seen whether the distinctive characteristics of existing and new claimant groups will endure over time. In the medium term, however, the demographic profile of new claimants highlights a unique set of challenges facing DWP. Without recognising and acting on the differences, DWP runs the risk of exacerbating unequal access to employment support throughout the course of the pandemic. It could be assumed that those claimant groups such as working backgrounds, higher professional status and owner occupiers are likely to find it easier to 'bounce back' after the pandemic, but their ability to do so will only be as good as the health of the sectors they intend to return to or move into. Further attention is needed on the distinctive income, employment and support needs of these new claimants, as well as the demand-side (employer) aspects.
- 1.14. That being said, it is worth highlighting a note of caution that DWP does not give disproportionate attention to new benefit claimants affected by the pandemic and there are many existing claimants who need significant

support. Our project will continue to explore how both groups fare in terms of navigating the benefit system and their capacity to 'bounce back' over the coming months.

1.15. It is also worth noting that the COVID pandemic has changed the organisational capacity of organisations that provide support to benefit claimants. This has been particularly acute where the support service relied on volunteers, many of whom were forced to socially isolate in the early stages of the pandemic.

1.16. ***Support services***

1.17. Our research with organisations delivering support highlighted that the pandemic accelerated transitioning of services online. Overall, client engagement had improved with remote delivery due to the absence of geographical constraints or clients being more comfortable with online sessions. However, remote delivery of employment support posed similar challenges to other forms of support in terms of consent, rapport and the quality of interactions and for some, online delivery poses a significant barrier that should not be underestimated.

1.18. Blended models of delivery were under consideration for the future. Changing organisational capabilities, pressures on services, and socially distanced support were all highlighted as concerns in terms of an uncertain future for both clients and the local ecosystems of support that they access.

1.19. It should be noted that according to our research the significant increase in demand from new claimants as a result of COVID was also accompanied by a lack of contact with existing clients as those with complex needs were struggling to access remote support as well as adequate financial assistance. Three key groups have been identified as particularly vulnerable by participants in our research: people with digital literacy or digital access issues; people for whom English was not their first language; and people with No Recourse to Public Funds.

1.20. The implications of a longer-term transition towards remote or even hybrid systems of benefits, employment and crisis support are significant and wide-ranging. Given the overarching direction of DWP's service delivery being 'digital by default' for UC, the trajectory for the employment support sector as a whole is less clear. It appears that it is currently largely incumbent on employability and skills sector organisations to judge the extent of face-to-face and digitalised support that needs to be offered to customers.

1.21. There is a risk that a permanent shift to remote delivery of support is seen as a core focus of cost reduction. However, potential savings on overheads will likely be replaced by spending on digital infrastructure, while staff and volunteer management would become more resource intensive.

1.22. Our research respondents suggested that the withdrawal of COVID-specific measures will be associated with considerable pressure of their services. It was anticipated that withdrawal of these measures would lead to a surge in problems of extreme poverty, debt, unemployment, repossessions, and evictions. This is likely to have a significant bearing upon individuals' needs for support, with issues other than employment needing to be addressed first.

2. Pre-pandemic, how effectively did the UK benefits system tackle poverty and socio-economic inequalities in Wales as compared to England and Scotland?

2.1. Prior to the pandemic, a series of changes to the tax-benefit system undermined the quality and coverage of the benefits system for low-income households. The £20 uprating should be understood as less of a 'boost' or 'uplift' and more as a temporary and partial reversal in cuts to low-income households over the last decade. The withdrawal of the uprating will intensify cuts to low-income social security and amplify the risk and depth of poverty. Our research finds that crisis social security measures temporarily made the benefits system more accessible, but not necessarily more effective at protecting livelihoods and incomes. It should be noted that many of these measures are no longer in place.

2.2. Despite the changes to benefits during the pandemic, many claimants were experiencing significant financial difficulties. This reinforces the point made above that, even with the £20 uplift, benefit levels are inadequate for many claimants.

3. How has the COVID-19 pandemic changed the type and amount of support needed by people in Wales?

How effectively has the UK benefits system responded to these needs, and what else should the UK Government do to deliver the right support in Wales?

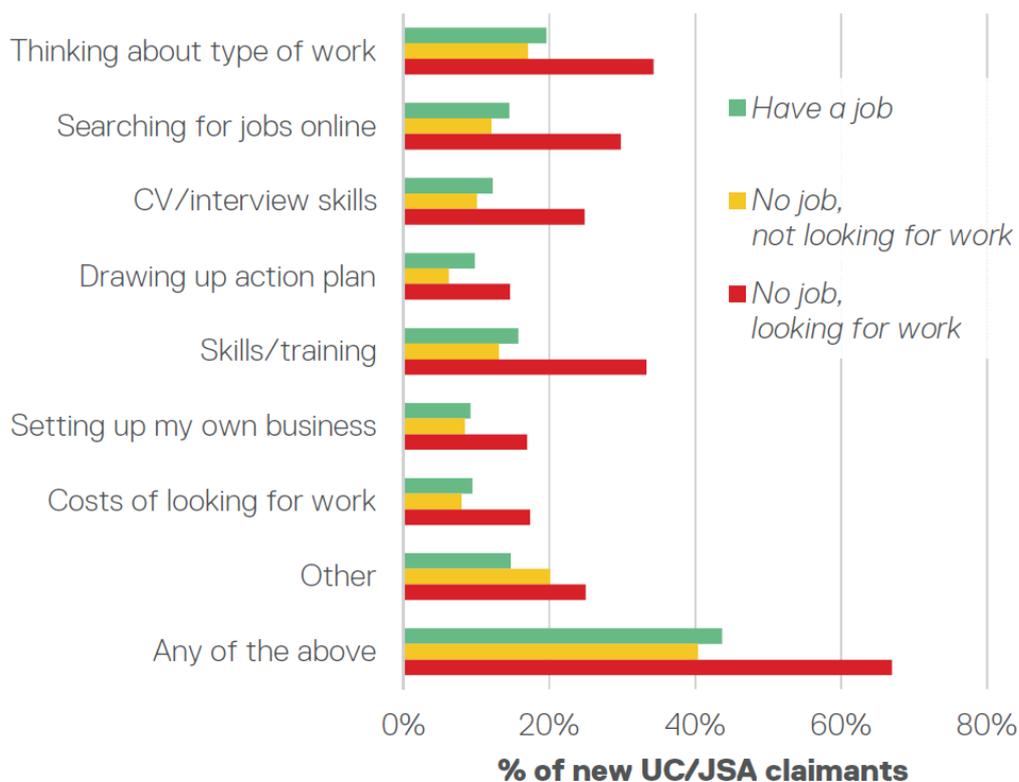
3.1. The majority of new UC / JSA claimants from May and June 2020 who were looking for work expressed a strong need for employment support. Two-thirds (67%) of those looking for work at this time said they would find employment support useful. This included: support in thinking about sorts of jobs they

could do; searching for jobs online; writing a CV / interview skills; or improving skills / getting training.²

3.2. Our evidence makes clear that personalised coaching support is needed, particularly in relation to helping individuals think about how their skills and experience could be translated into another occupational sector.

3.3. Beyond this, other types of support are also required by new claimants, as the figure below shows.

Figure 3: Employment support that new UC/JSA claimants would find useful in the next few weeks (May-June 2020)



3.4. From our qualitative data with organisations delivering support, we found that in some cases, additional support had been introduced to support clients with COVID-specific challenges, such as support for 're-entry anxiety' (after prolonged social isolation), and strategies for managing children at home. Some organisations used training to explicitly foster an online sense of community and combat loneliness, but there was an employability agenda linked to this too. One participant suggested that regular sessions promoted confidence, presentation skills and the maintenance of a routine. Practical

support around interview preparation was also changing in response to the emerging pandemic context.

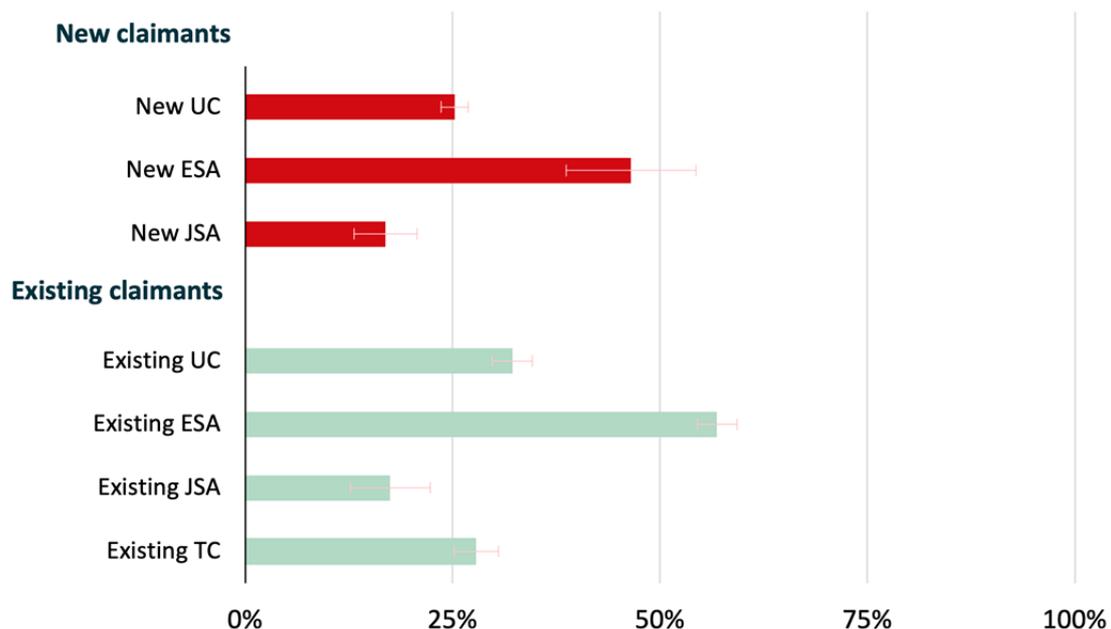
3.5. Despite the suspension of job-search requirements during the pandemic and 2020 lockdown in the UK and an extraordinary drop in job vacancies, the majority of workless new UC/JSA claimants (59%) were looking for work. They need help in doing so, with a majority (67%) of new UC/JSA claimants saying that they needed employment support such as helping them to think about what jobs they could do or improving their skills/getting training.

3.6. Benefit application support

3.7. Claimants also need support when making an application to initiate or sustain a claim for benefits. A recent report by the DWP showed that only 54% were able to submit a claim online unassisted, while 43% said they needed more support when registering their claim. Again, this is a critical issue given that the benefits system leads to the provision of employment support.

3.8. There are considerable differences in the number of claimants receiving support across different groups. As shown below, for both existing and new claimants those claiming Employment Support Allowance (ESA) were most likely to have received support.

Figure 4: Whether received any support making a benefit application (by claimant group)
(Source: YouGov survey of benefit claimants)

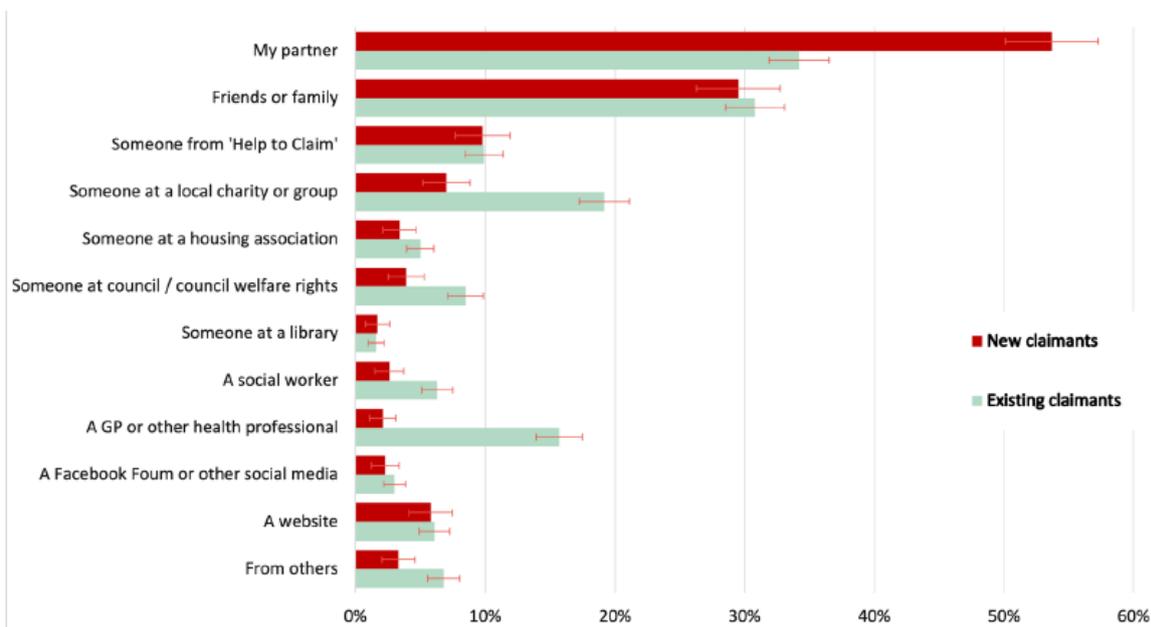


3.9. There are demographic differences in those receiving support. Based on our evidence, 18-24 year olds are most likely to receive support, with just over a

third (34.4%) receiving support compared to just 20.7% of those aged 55-64. Likewise, those with a health problem or disability are more likely to receive support (42.6%) compared to those without (21.9%).

3.10. This support comes from a variety of sources, mostly social. For example, over half of new claimants drew on the help of their partner (53.7%). This underlines the importance of familial, household and friendship networks in supporting claimants. This is important because the quality and nature of support received can affect whether a successful application is made. Figure 5 below shows the sources of support received.

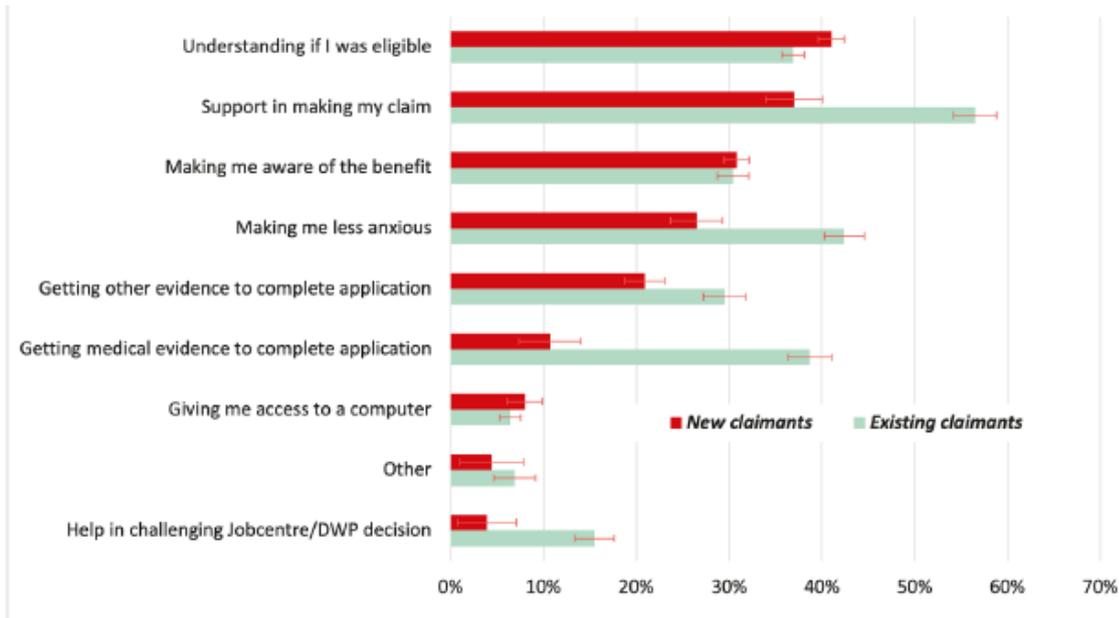
Figure 5: Source of support (among those receiving support) (Source: YouGov survey of benefit claimants)



3.11. We found that the new cohort of COVID-19 claimants were initially younger, more likely to be BAME and less likely to be experiencing a health condition or disability. Within this cohort, young people are more likely to access online and social media support, while BAME claimants are much more likely to access remote forms of benefit support (25.9% of BAME claimants who received support accessed help online compared to 11.9% of white claimants; 38.8% accessed help over the phone compared to 24% of white claimants).

3.12. The most common type of support received by new claimants was to understand if the claimant was eligible, followed by support in making the claim, as shown in figure 6.

Figure 6: Type of support received by claimants (among those receiving help) (Source: YouGov survey of benefit claimants)



3.13. In addition to Jobcentres, our research revealed the extent to which ecosystems of support at local levels play a key role in individuals' claims for benefit and in their journey towards employment. Of those receiving support, 44.3% of claimants receive help from those working within local authorities and council welfare rights services. These organisations have been under considerable pressure to adapt and collaboration between organisations within local networks has been crucial to sustaining service delivery for changing needs.

4. What reforms are needed to the benefits system and should there be further devolution of powers?

4.1. We have already noted the financial inadequacy of the benefits system and the need to retain the £20 UC uprating. However, retaining the uprating and extending it to legacy benefits should be only the first step in a wider review of the adequacy of benefit levels.

4.2. The demographic profile of new claimants highlights the need for the DWP to recognise and act on the differences from existing claimants. Further attention is needed on the distinctive income, employment and support needs of these new claimants, as well as the demand-side (employer) aspects – though without giving disproportionate attention to new benefit claimants relative to existing claimants who need significant support.

- 4.3. Businesses report confusion over the number of employment support programmes and providers. Programmes that seek to respond to COVID, but critically the post-COVID employment schemes, need to better incentivise employer engagement.
- 4.4. The rapid switch to digital systems during the pandemic has been welcomed by many claimants – though not all. Some people, especially those with complex needs, will still need face to face and personal interactions with DWP staff. Offering claimants choices in the way they interact with the benefits system helps to establish an element of control for them and should be developed further. Employment support is a human service that cannot solely, and should not, be fully digitised. The implications of a longer-term transition towards remote or hybrid systems of benefits, employment and crisis support are significant and wide-ranging.
- 4.5. The sanctioning and coercion of claimants that was integral to the pre-Covid benefits system was largely suspended from 2020. It appears to be returning in some forms and some localities, at least in England. However, [previous research](#) has shown the counterproductive nature of conditionality. Instead a system of positive, voluntary employment support should be established as contact with work coaches resumes.
- 4.6. Addressing issues of stigma in the benefit system should also be a priority. Our research has explored experiences of stigma and shame among claimants, and this aspect of the system is also demonstrated in the large numbers of people who were eligible for UC during the pandemic but did not claim it. Positive messages from the DWP about entitlement to social security as a safety net and to promote take-up are needed.

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