



# Universal Credit Test and Learn Evaluation: Families

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## Background and aims

Universal Credit (UC) represents a major overhaul of the current welfare system. It is replacing six benefits: income-related Jobseeker's Allowance (JSA); income-related Employment and Support Allowance (ESA); Income Support (IS); Housing Benefit (HB); Working Tax Credits (WTC); and Child Tax Credits (CTC). UC first rolled out in April 2013, to single claimants with no live claim for HB, in a limited number of Pathfinder sites. Further expansion took place during 2014, including extension to people whose claims included housing support, and families with children (the group covered by this report). National rollout to all new single claimants started in February 2015 and UC is now available for single claimants in all Jobcentres across Great Britain.

Ipsos MORI undertook quantitative and qualitative research with families, as part of the UC Test and Learn Evaluation, to support these overarching evaluation objectives:

- To provide timely and operationally relevant evidence to support the continual improvement and further rollout of UC.
- To provide early evidence on whether the policy intent is understood and is being met, and on whether labour market behaviours (and outcomes) are affected.

## Methodology

The evaluation was based on mixed method longitudinal research with families comprising two waves of surveys and qualitative in-depth interviews.

- The quantitative research comprised telephone interviews with 1,039 UC family claimants between December 2015 and June 2016; 464 claimants were re-interviewed between March and August 2016.
- The qualitative research comprised in-depth interviews with 55 UC family claimants between July and August 2015; 48 claimants were re-interviewed between December 2015 and January 2016.

## Key findings

### The customer journey

The majority of family claimants (68 per cent) submitted their claim online, with almost one in four (24 per cent) making their claim over the telephone and a small minority (seven per cent) claiming face-to-face at Jobcentre Plus. One in seven claimants (14 per cent) attempted to claim online before switching to another channel because they experienced difficulties, such as website functionality and problems in understanding instructions for completion.

More than half of UC family claimants (57 per cent) had made at least one telephone enquiry to the Service Centre. Almost two-thirds (65 per cent) reported that their enquiry was dealt with effectively, but one-quarter (25 per cent) did not. Negative views were linked to a perceived lack of knowledge among staff, or being given information that was incorrect or incomplete.

Where circumstances had changed at Wave 2, one in four (25 per cent) reported being aware that there had been a change to the requirements of their Claimant Commitment (CC). Claimants were mostly unaware of the possibility of discussing their CC conditions, reflecting a perception that CC hours were 'set' or applied by Jobcentre Plus staff, as opposed to being agreed as part of a two-way conversation.

Key aspects of UC, in relation to eligibility, claimant requirements and incentives to increase hours worked, were well understood by family claimants, and understanding increased between waves. The work search requirement was best understood.

Knowledge of the Work Allowance (WA) and tapering element of UC was limited. At Wave 2, one in six (17 per cent) had heard of it as part of their UC claim. In the qualitative research, claimants were aware that there was a threshold at which their UC payment would start to be withdrawn, but they were unsure of the exact amount. Equally, some claimants did not think they would be better off in work at Wave 2 as they believed that their UC payment would be reduced in line with their wage, or removed altogether.

At both waves, around nine in ten family claimants felt their work coach explained the conditions of claiming UC well. Participants believed that the Jobcentre Plus would check that their CC was being fulfilled, with four in five agreeing that all of the terms would be checked. In the qualitative research, claimants supported the principle of having conditions attached to their benefits, but many reported that the CC

hours were set too high and hard to achieve, and that they had been given a 'one size fits all' CC.

Just over three in four claimants (77 per cent) agreed that knowing their UC could be reduced or stopped if they did not meet certain requirements made them more likely to look for, or prepare for, work. Awareness of joint responsibilities was high – for example, 96 per cent at Wave 1 understood 'very or quite well' what would happen if either partner failed to carry out the joint responsibilities of their claim.

Family claimants were largely positive about the encouragement, advice and support provided by Jobcentre Plus staff. The qualitative research found that the extent to which support was perceived to be tailored, the amount of support received and the continuity of Jobcentre Plus staff were most linked to high satisfaction levels.

Around three in four family claimants in both waves felt confident in their ability to budget monthly. Joint claimants were more confident than lone parents. There was evidence in the qualitative research that claimants who accessed budgeting support from Jobcentre Plus were managing their money more effectively as the result. However, some claimants continued to struggle, and they felt this was made worse where the notification of payment letter arrived late or not at all. Around three in four (76 per cent) of UC family claimants recalled receiving notification of payment letters as part of the UC claim.

At Wave 1, half of those receiving UC (53 per cent) said they had received an advance from Jobcentre Plus or the Department for Work and Pensions (DWP), while almost three in ten (29 per cent) had received extra funds from friends or family. Some claimants also reported receiving an advance from Jobcentre Plus or DWP between Wave 1 and Wave 2 (15 per cent).

At Wave 1, just over two in five (41 per cent) renters were in arrears with their rent payment, falling to 31 per cent at Wave 2. The majority of UC family claimants reported that this was the

first time they had been in rent arrears in their current accommodation (77 per cent at Wave 1, 82 per cent at Wave 2). At Wave 1, half of family UC claimants reported that their rent arrears started after they made their current claim (49 per cent). There were a variety of reasons for being in arrears, but the five-week wait was highlighted.

Just under one in five claimants used formal childcare in either wave. Use of formal childcare was more common among lone parent claimants than joint claimants (18 per cent compared with seven per cent at Wave 2).

At Wave 2, around two in three claimants (67 per cent) were aware that they could claim back some of their childcare costs under UC. It is worth noting that some claimants thought that the Free Entitlement (15 hours for 3-4-year-olds) counted as childcare under UC during the qualitative research.

The proportion that had claimed childcare costs as part of their UC claim at Wave 2 was six per cent, or 33 per cent of those who used formal childcare. In the qualitative research, experiences of claiming childcare costs were mixed: some claimants had found sending their receipts easy and payments had arrived on time. Others had struggled with the reimbursement process and even got to the point of considering or actually terminating their employment because of payments not arriving.

UC family claimants have different work search obligations according to DWP's guidance, with increasing obligations depending on the age of the child. Among those **required to look for work as part of their UC claim**, claimants spent fewer hours on jobsearch at Wave 2 than at Wave 1 (48 per cent spent less than 16 hours per week compared with 33 per cent in Wave 1). On average, UC family claimants who were required to look for work applied for 12 jobs in the previous week at Wave 2, similar to the Wave 1 average (11 jobs).

Just over half of those looking for work (56 per cent) found it easy to complete the required number of hours, while almost one-quarter (24 per cent) found it difficult. In the qualitative research, there was a widespread feeling that the hours were hard to achieve because of a perceived lack of jobs locally; issues around balancing jobsearch with family life/childcare; internet access; disabilities or literacy issues; and fitting jobsearch around paid work.

Three in four family claimants were prepared to accept a short-term or temporary job, while two in three would be prepared to take any job. Joint claimants looking for work tended to have higher wage expectations than lone parents. At Wave 1, the average lowest acceptable weekly individual wage was £256 for those in a joint claim and £184 for lone parents.

## Employment and jobsearch outcomes

It is important to note that this section provides descriptive information about employment details and is not a measure of impact.

Around one in three UC family claimants (35 per cent) were in work at Wave 2 compared with 23 per cent at Wave 1. At Wave 2, more than one-third (37 per cent) of lone parent claimants were employed, while among joint claimants, 29 per cent of survey participants and 41 per cent of their partners were employed.

The number of hours worked increased between Wave 1 and Wave 2, with claimants more likely to be working 16 hours or more per week (77 per cent at Wave 2 compared with 64 per cent at Wave 1).

At Wave 1, around two in three UC claimants working less than 30 hours per week were actively looking for ways to increase their income (67 per cent) or the hours they were working (66 per cent). These proportions remained stable at Wave 2.

## Key implications from this research

The research identified some positive findings on **monthly budgeting**. The majority of family claimants reported that they were confident in their ability to budget on a monthly basis. There was also evidence of claimants finding it easier to manage monthly payments as time went on, sometimes as a result of budgeting support accessed through the Jobcentre Plus.

At the same time, monthly budgeting tended to be more difficult where claimants were unsure of the amount they would receive. This situation was made worse where the notification of payment letter arrived late or not at all. This suggests that any improvements that can be made to the prompt delivery of these letters may alleviate some of the current problems with monthly budgeting.

In general, the **conditionality messages** about UC were better understood than the **work incentive elements**. In particular, there was limited awareness of the policy's stated aim of making it easier and more worthwhile financially to be in paid work. Part of this lack of understanding emanates from claimants typically

feeling that their first meeting at Jobcentre Plus was primarily a bureaucratic exercise in which they didn't feel they were able to ask questions about how UC would work.

UC family claimants showed **flexible attitudes towards work**, and a quarter of family claimants said that being on UC had made them more confident to apply for a job that they would not have previously considered. There was also evidence that UC claimants were keen to increase their hours or earnings.

At the same time, there was a widespread feeling that the **CC hours** were too high and therefore hard to achieve. For the most part, claimants felt they had been given a 'one size fits all' CC which they were struggling to meet. These findings tie in with those on perceptions of personalised support – the main criticism of Jobcentre Plus support was that it was not always thought to reflect or take into account claimants' personal circumstances or aspirations. The circumstances and characteristics of family claimants tend to be more diverse than single claimants, and this is likely to place a greater emphasis on the need for personalised support.

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The full report of these research findings is published by the Department for Work and Pensions (ISBN 978 1 911003 70 0. Research Report 944. September 2017).

You can download the full report free from: <https://www.gov.uk/government/organisations/department-for-work-pensions/about/research#research-publications>

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