

# Universal Credit Extended Gateway Evaluation

Findings from research with Extended Gateway  
claimants

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December 2015

# Acknowledgements

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# List of abbreviations

<b>CC</b>	Claimant Commitment
<b>DWP</b>	Department for Work and Pensions
<b>JSA</b>	Jobseeker's Allowance
<b>JCP</b>	Jobcentre Plus
<b>PASA</b>	Personal and Account Support Agent
<b>PBS</b>	Personal Budgeting Support
<b>UC</b>	Universal Credit
<b>UJ</b>	Universal Jobmatch

# Executive Summary

## Background

Universal Credit (UC) represents a major overhaul of the current welfare system, replacing six benefits (income-related Jobseeker's Allowance; income-related Employment and Support Allowance; Income Support; Housing Benefit; and Working and Child Tax Credits). UC first rolled out in April 2013, to single claimants with no live claim for Housing Benefit, 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 (who are not covered by this report). National rollout to all new single claimants started in February 2015.

For simplicity, we refer to any UC claims that include the housing element as 'complex'; this term is not intended to imply that these claimants are necessarily harder to help or have more complicated personal circumstances. UC claims not including a housing element are termed 'simple' claims.

## Methodology

A longitudinal survey was conducted among UC claimants whose first claim was made between mid-October and mid-November 2014. A comparison sample of Jobseekers' Allowance (JSA) claimants was drawn over the same period, from Jobcentre Plus offices with similar caseload sizes and benefit off-flows. The survey questionnaire included a detailed screening section for JSA claimants, to replicate eligibility for UC.

All claimants were surveyed by telephone in weekly batches between 27 November and 23 December 2014. On average, the first interview took place 5.5 weeks after the claim date, for both UC and JSA. The Wave 2 survey followed up those who agreed to be re-contacted and took place around three months later, between 5 and 29 March 2015. The survey comprised 900 interviews with UC claimants at Wave 1 (461 at Wave 2); and 901 interviews with JSA claimants at Wave 1 (499 at Wave 2). The data were weighted to be representative of the known, eligible claimant profile.

The qualitative sample of UC claimants included quotas on: simple and complex cases; location; previous history of claiming JSA; UC claiming channel; age; and gender. Wave 1 consisted of 26 face-to-face depth interviews conducted in December 2014: Wave 2 was conducted in March 2015 with 23 of these claimants (comprising 16 face-to-face and 7 telephone interviews).

## **Claimant experience**

### **The claim process and dealing with Service Centre**

The initial UC claim process worked well for most single claimants, who for the most part reported it to be simple and straightforward. Around four in five completed the claim form online (85%) and without support (80%), as envisaged by DWP. People whose claim included housing costs experienced more difficulties making the claim: the qualitative research revealed there was some initial confusion about whether housing costs were included.

By Wave 2, two in five UC claimants (43%) had made at least one telephone enquiry to the Service Centre. Of these, people with complex claims were more likely to have made multiple calls. The main reasons for calling were about payment issues. While two-thirds (63%) felt their enquiry was dealt with effectively, one-quarter did not (25%).

### **The Claimant Commitment and experience of Jobcentre Plus support**

Early meetings focused on establishing the Claimant Commitment (CC) and clarifying expectations of the claimant. The overwhelming majority were clear about which appointments they had to attend (96%), how to report a change in circumstance (90%), and which changes of circumstance to report (88%). The majority were also clear about when (78%) and how much (76%) they would get paid. Claimants themselves were more confident that all of the actions in their CC would be checked on by the jobcentre (76%), than they were about whether all of those actions were achievable (53%), would increase their chances of finding work (42%), or took into account their personal circumstances (37%).

At Wave 2 there was some evidence that the jobcentre had moved towards more of a support / advisory role, and there was evidence that some people were being encouraged to broaden their job search. The majority of UC claimants at Wave 2 were largely positive in their views on the encouragement, advice and support provided by UC staff. Most agreed that attending the Work Search Reviews meant they were more likely to keep doing what the CC required of them (85%) and, among those working below 30 hours per week, that UC staff took into account how much time they had available to work when setting their CC commitments (90%). The proportion who agreed that the Work Search Review was helping them to find work was lower than for other aspects (67%), but still in the majority.

## **Understanding of Universal Credit**

Over nine in ten claimants were clear on the requirements of claiming UC and knew they could be required to fulfil up to 35 hours' job search, but fewer were as clear about its role as a financial incentive, such as how the taper operated. For example, a smaller majority knew that people would be financially better off for every additional hour they worked, whether in a full-time or part-time job, than they would be on benefits alone. This improved between Wave 1 and Wave 2, from 67% to 73%, but it

suggests that more emphasis could be placed on the positive features of UC as a work incentive.

## **Budgeting with monthly payments**

A key difference between UC and other benefits is that UC is paid monthly. People with a complex claim including a housing element also have responsibility for paying their own rent, rather than it being paid directly to their landlord. Claimants may therefore need to adjust their budgeting strategies if they are used to more frequent payments. Around three-quarters of UC claimants felt confident in monthly budgeting at Wave 2 (74%), but there was a large difference between people who had simple claims (78%) and those with complex claims including housing costs (60%).

At Wave 1, one in five UC claimants reported they were falling behind with bills and other financial commitments (22%), but by Wave 2 this had reduced to 16%. It emerged strongly that the five week wait for the first payment was particularly difficult for those with housing costs. By Wave 2, however, most issues around payment had been resolved. UC claimants were more likely than JSA claimants to have sought advice on managing money from Jobcentre Plus (25% at Wave 1 reducing to 16% by Wave 2) and one in five (22%) reported they had received an advance payment from DWP to see them through the first five weeks of their claim.

## **Attitudes to work and job search**

Encouraging claimants to look more intensively for work is an important element of UC. In Wave 2, UC recipients who are not working in paid employment had spent an average of 30 hours on job search in the previous week and had applied for an average of 18 jobs during that time. People with complex claims including a housing element averaged more time looking for work than those with simple claims. JSA claimants spent far less time on job search (averaging 20 hours in the previous week) although they made a similar number of job applications, with an average of 19. It is important to note this positive evidence in relation to work search behaviour and also to observe that, by Wave 2, a significant minority (33%) of people reported that UC had made them more confident to apply for jobs they would not have previously considered.

Similar proportions of UC and JSA claimants were in work at Wave 2 (41% and 40% respectively). In addition, similar proportions had started a job and then stopped it between the two waves (16%). UC claimants appeared to be more flexible regarding the type of work they would consider. Two-thirds (68%) would consider doing any job rather than a particular type, higher than among JSA claimants (59%). At Wave 2, the vast majority of UC claimants working less than 30 hours per week were actively looking for ways to increase their hours (86%) and their income (77%). JSA claimants working less than 30 hours per week were much less likely to be actively trying to increase either their hours or their income at Wave 2 (38% were looking to increase their hours and 51% their income).

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# 1 Introduction

This section outlines the Universal Credit (UC) policy and explains the scope and purpose of the UC Extended Gateway research among the 'Extended Gateway' claimant group.

## 1.1 Universal Credit policy

Universal Credit (UC) represents a major overhaul of the current welfare system, simplifying the benefits system by replacing six legacy benefits: income-related Jobseeker's Allowance, income-related Employment and Support Allowance, Income Support, Housing Benefit, and Working and Child Tax Credits. Universal Credit first began to roll out in April 2013. This was to a limited number of Pathfinder sites in the North West of England. Further rollout and expansion continued during 2014, and in February 2015 national roll out to new single claimants commenced across Great Britain.

To begin with, in the Pathfinders, eligibility for Universal Credit was restricted to single claimants with no caring responsibilities and no live claim for Housing Benefit. However, once a claimant is claiming Universal Credit they stay on the benefit even if their circumstances change, meaning that increasingly complex circumstances have emerged over time. An initial wave of claimant research focusing on the first Jobcentres (the UC Pathfinder Evaluation<sup>1</sup>) took place between August and October 2013 and was repeated at three and six month intervals, alongside two comparable surveys of JSA claimants, one in matched comparison areas and one with a nationally representative sample.

The Extended Gateway for Universal Credit was rolled out gradually to cover more 'complex'<sup>2</sup> singles cases, predominantly those eligible for housing support, from May 2014 onwards. This research covers the extension to that claimant group as well as continuing to cover people with a 'simple' claim, to provide continuity with the earlier Pathfinder surveys.

By the end of 2015, Universal Credit will be live in around 500 Jobcentre areas, around 75% of all Jobcentres, and all Jobcentre and local authority areas by the end of April 2016. New claims to legacy benefits will end during 2017. The number of claims to legacy benefits will progressively decline, and migrate to Universal Credit. Current planning assumptions provide, subject to labour market trends, for the bulk of this exercise to be complete by 2019.

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<sup>1</sup> DWP (2014) Universal Credit Pathfinder Evaluation

<sup>2</sup> For simplicity, we refer to any Universal Credit claims that include the housing element as 'complex'; this term is not intended to imply that these claimants are necessarily harder to help or have more complicated personal circumstances.

UC is designed to support people into work, with the intention of making work pay. Under UC, claimants will remain in the system until they have found sustained employment; this is intended to offer greater support and incentive to enter the labour market. In return, claimants are expected to take greater responsibility for their work search activities by signing up to a Claimant Commitment (CC), agreed between the claimant and the Work Coach.

Claimants are also given greater ownership over their own finances: under the previous legacy system Housing Benefit was frequently paid directly to landlords, whereas the UC award (including any housing element where applicable) is paid direct to households. Claimants also receive monthly benefit payments under UC; previously benefits such as JSA were paid fortnightly. The intention is to replicate how people are paid when they are in work, and to encourage more people to handle their benefits and rent payments. It is acknowledged this may be challenging for some; hence Jobcentres delivering UC are able to signpost to budgeting support and to make alternative arrangements for rent payment (i.e. reverting to rent being paid directly to the landlord). Wherever possible, these alternative payment arrangements are time-limited and delivered in conjunction with appropriate support to help claimants successfully make the transition to monthly budgeting.

In summary, the main aims of Universal Credit are to:

- Encourage more people into work and to make even small amounts of work pay and be seen to pay.
- Smooth the transition into work by offering a single benefit that removes the distinction between being in and out of work.
- Offer a simpler support, with one system replacing multiple systems, therefore reducing administration costs and the scope for fraud and error.
- Tackle poverty both through increased take-up since the system will be simpler and from increased rewards from employment.

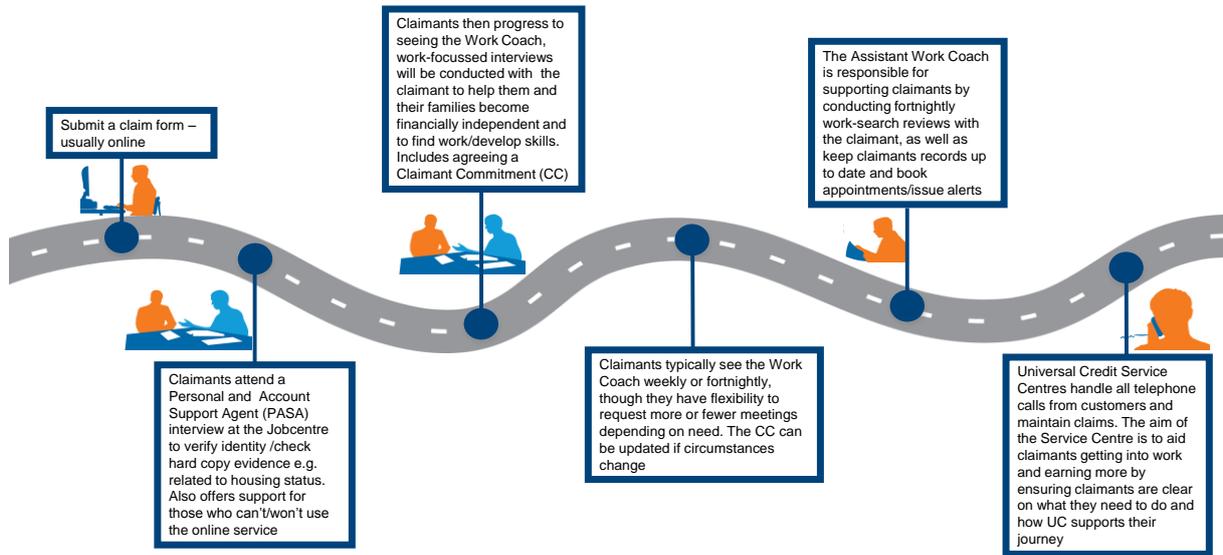
## 1.2 Universal Credit process

The intention for Universal Credit is that the majority of claims will be made online. Following the submission of the claim form, claimants will attend a Personal and Account Support Agent (PASA) interview at the Jobcentre to verify identity and check other hard copy evidence (for example, relating to rent/ housing for complex claims). Claimants then progress to seeing the Work Coach and Assistant Work Coach to verify work search evidence and provide advice and support.

Figure 1.1 summarises the claimant journey. Details of the respective roles of the Jobcentre and Service Centre are included in the Appendix.

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## Figure 1.1: Universal Credit claimant journey



Source: Ipsos MORI

## 2 Background

This section provides an overview of the research aims and the methodology used.

### 2.1 The aims of the research

In summer 2014, Ipsos MORI was commissioned by the Department for Work and Pensions (DWP) to undertake research with single claimants as part of the wider Universal Credit evaluation programme. This comprises a series of qualitative and quantitative interviews. It aims to support the overarching Test and Learn Evaluation objectives, which are:

- To provide timely and operationally relevant evidence to support the continual improvement and further rollout of Universal Credit.
- 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.

The research instruments (survey questionnaires and qualitative topic guides) are built around the ‘theory of change’ underlying the policy (Figure 4.1, Section 4), in order to ensure this can be fully explored to provide evidence on what works, what needs improving, whether policy objectives are being met and how the ‘theory of change’ might be refined.

### 2.2 Methodology

The following section provides details of the research methodology. Table 2.1 provides an overview of the timings for each of the research methods.

**Table 2.1 – Overview of UC Extended Gateway Test and Learn strands**

Research methods	Timing	Stage of claim
Quantitative UC & JSA comparator survey	Wave 1 survey: Late November – December 2014	5-6 weeks after the UC claim started
	Wave 2 survey: March 2015	4-5 months after the UC claim started
Qualitative research with claimants	Wave 1: December 2014	5-6 weeks after the UC claim started
	Wave 2: March 2015	4-5 months after the UC claim started

Source: Ipsos MORI

## 2.2.1 The quantitative research

The initial UC sample was based on new UC claims from all the Jobcentre Plus offices that had rolled out to more complex single cases by late October 2014<sup>3</sup>. A comparison sample of Jobcentre Plus offices that were not yet delivering UC was constructed, based on analysis of caseload sizes and labour market outcomes (off-flows from JSA). Importantly, the matched comparison offices were not scheduled to roll out UC during the Wave 1 survey period.

Wave 1 survey fieldwork was undertaken by Computer Assisted Telephone Interviewing (CATI) between 27 November and 23 December 2014. Wave 2 survey fieldwork took place approximately 3 months later, between 5 and 29 March 2015.

The questionnaires were adapted from the Pathfinder surveys. At Wave 1, interviews lasted around 25 minutes (for UC claimants) and 20 minutes (for JSA claimants): at Wave 2, interviews were slightly shorter at 20 minutes and 15 minutes respectively. New questions on attitudes towards the management of housing costs and on rent arrears were included, to investigate the views and experiences of claimants receiving the housing element of UC, or, for the JSA group, receiving Housing Benefit. The questions to determine survey eligibility among the JSA sample were also adapted, to remove the previous screening questions on tenure and claiming Housing Benefit that were in place for the Pathfinder research.

The Wave 1 sample was drawn by DWP at weekly intervals across a four-week period, and encompassed a census of single cases in the relevant UC areas, each drawn one week after a new claim was made, together with a sample of JSA claimants in the matched offices. It was then linked to contact details and verified internally within DWP<sup>4</sup>, before being securely transferred to Ipsos MORI to conduct a series of opt-out mailings.

After each opt-out period, the sample was loaded for fieldwork and only used for one week before being superseded by the next batch. This was in order to ensure that people were interviewed within six weeks of making their claim. The average elapsed time between the claim date and the interview date was 38 days (around 5.5 weeks) for both UC claimants and JSA claimants.

On completion of the survey fieldwork, the profile of the achieved UC sample was compared with the known claimant profile during the period the sample was drawn and interlocking weights were applied to correct for minor differences in the age-gender breakdowns. The JSA sample also had interlocking age and gender weights applied, with the population profile estimated based on the age and gender profile of claimants who had not been screened out of the survey. This was to ensure that the

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<sup>3</sup> These are ten Pathfinder offices in total: Ashton under Lyme, Wigan, Warrington, Oldham, Hammersmith, Rugby, Inverness, Harrogate, Bath and Shotton.

<sup>4</sup> The verification process also included removal of contact details for any individuals flagged as vulnerable, for example with known mental health or drug dependency issues, before the sample was provided to Ipsos MORI. This is in line with ethical good practice.

population was as close as possible to the sub-set of claimants who *would* have been eligible for UC, had they lived in the relevant Jobcentre areas.

Wave 2 was a longitudinal follow-up survey of the Wave 1 sample who had agreed to be re-contacted, allowing DWP to learn about claimant experiences at different stages of the claim. Although it was attempted to follow up everyone who agreed to be re-contacted, the number of interviews reduced at Wave 2 due to refusals, uncontactable numbers and people not being available during the fieldwork period, which was limited due to the pre-election period (which started on 30 March 2015). Table 2.2 provides a breakdown of the survey timings and number of interviews conducted per sample, per wave. Respondents across the survey groups had similar characteristics.

**Table 2.2 – Claimant survey numbers and timings**

	Timings	Number of interviews
<b>Wave 1</b>		
Universal Credit	27 Nov – 23 Dec 2014	900
JSA comparator	27 Nov – 23 Dec 2014	901
<b>Wave 2</b>		
Universal Credit	5 – 29 March 2015	461
JSA comparator	5 – 29 March 2015	499

Source: Ipsos MORI

## 2.2.2 The qualitative research

The qualitative research comprised face-to-face interviews with UC claimants in towns and cities in Northern England. The claimant sample was organised to include a mix of: simple and complex cases; location; previous history of claiming JSA; UC claiming channel; and demographic variables (age; gender) in order to explore the experiences of a range of people.

In Wave 1, 26 face-to-face depth interviews were undertaken in December 2014. Wave 2 was conducted in March 2015 and followed up 23 of these claimants. At Wave 2, 16 interviews were carried out face-to-face and the remaining seven were conducted via telephone.

Ipsos MORI purposively selected participants (to reflect the quotas set) from a sample of new UC claimants provided by DWP. Recruitment was guided by a recruitment screening questionnaire designed to establish claimants' eligibility for the research and confirm their location, availability and willingness to take part. Initial recruitment was undertaken in November 2014.

Interviews followed an open format covering the following broad topics:

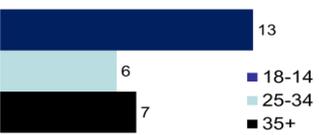
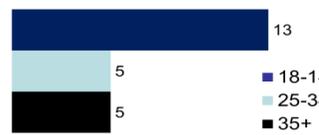
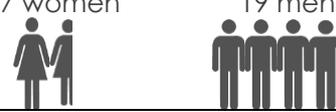
- Claimant work and claims (JSA) history;

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- UC Claims process including submitting the claim, PASA and Work Coach meetings;
- Claimant Commitment;
- UC payment process; and
- Money management/ budgeting.

A small cash incentive was offered for a completed interview in order to encourage participation, as per standard practice for research of this nature.

**Table 2.3 – Qualitative achieved interviews, Wave 1 and Wave 2**

	Wave 1	Wave 2
<b>Key quota – claimant type</b>	 <p>■ Claimants with housing element ■ Claimants without housing element)</p>	 <p>■ Claimants with housing element ■ Claimants without housing element)</p>
<b>Location</b>	 <p>10 Manchester 7 Liverpool 3 each in Bolton, Oldham &amp; Wirral/Wallasey</p>	 <p>9 Manchester 5 Liverpool 3 each in Bolton, Oldham &amp; Wirral/Wallasey</p>
<b>Age</b>	 <p>■ 18-14 ■ 25-34 ■ 35+</p>	 <p>■ 18-14 ■ 25-34 ■ 35+</p>
<b>Gender</b>	<p>7 women      19 men</p> 	<p>7 women      16 men</p> 
<b>Previous claim history</b>	 <p>■ Previous JSA claim ■ No prior claim (JSA)</p>	 <p>■ Previous JSA claim ■ No prior claim (JSA)</p>
<b>Channel used to apply for UC</b>		

Source: Ipsos MORI

## 3 The customer journey

This section sets out the main findings from the surveys and qualitative research regarding experiences of claiming and receiving UC, support received from Jobcentre Plus, and job search attitudes and behaviours.

### 3.1 Overview of the research

The following chapter provides an overview of the UC and JSA claimant surveys, interwoven with findings from in-depth qualitative research with UC claimants. The focus of this chapter is on the implementation and delivery of UC.

### 3.2 Claimant experience

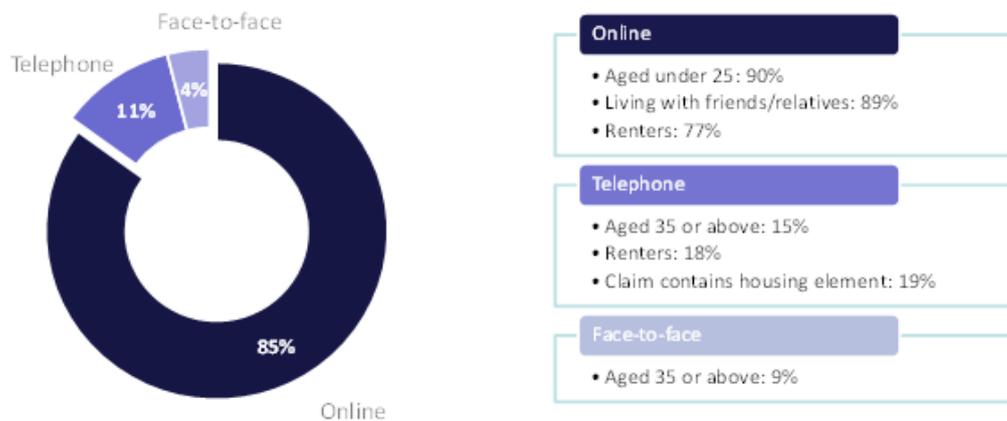
#### 3.2.1 Making the first claim

Almost all of the UC and JSA claimants had internet access (95% each). Most UC claimants had internet access via a computer at home (78%) or a mobile phone (76%), or had regular internet access on a computer somewhere other than their home (69%).

UC claimants living in rented accommodation were least likely to have internet access. Around one in ten social and private renting tenants had none at all, compared with one in fifty claimants living with relatives or friends (11% and 8% versus 2%). Older claimants (13% aged 35 or above) and claimants with Level 1 or no qualifications (9%) were also less likely to have internet access. These patterns are similar for JSA claimants.

Reflecting the high level of internet access, and the 'digital by default' approach to claiming, the vast majority of UC claimants (85%) submitted their claim online. Just one in ten (11%) submitted it by phone and very few (4%) submitted it in person in a Jobcentre Plus office. Similar proportions were found in the Pathfinder Evaluation where nine in ten submitted their claim online (90%, versus 87% with simple claims in the Extended Gateway survey). Younger claimants under the age of 25 (90%) were more likely to submit their claim online and older claimants aged 35 or above were more likely than average to use telephone (15%) or face-to-face (9%) channels. This is associated with younger people being more likely to have access to the internet than older people. It may also be associated with older people feeling less confident in their digital skills. One in three of the small number of people (n=44) who knew they could claim online but used a different method reported that they were unfamiliar with using computers, and most of these were aged 35 or above.

**Figure 3.1: Method of claiming UC**

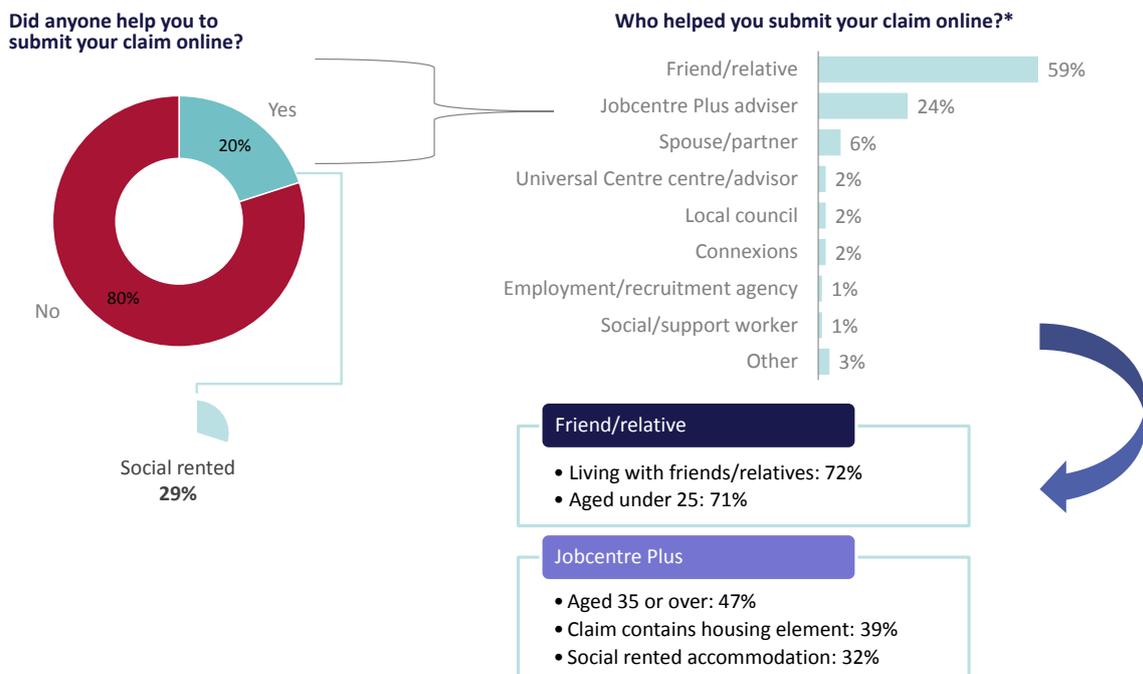


Base: All Wave 1 UC claimants (900)

Source: Ipsos MORI

Figure 3.2 shows that one in five online UC claimants received help submitting their claim (increasing to 29% among tenants in social-rented accommodation). Of those who got support, most got help from a friend or relative while a sizeable minority got it from a Jobcentre Plus adviser. Younger claimants and those living with friends or relatives were more likely to get help from family or friends. Claimants with more complex claims, who were older, or who were living in social-rented accommodation, were more likely to receive help directly from Jobcentre Plus.

**Figure 3.2: Whether people needed support to claim online**



Base: All Wave 1 claimants who claimed online (765); \*All Wave 1 claimants who received help submitting a claim online (166)

Source: Ipsos MORI

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The qualitative research identified that the questions in the claim form were generally perceived as simple and easy to complete. Indeed, some people found the claim form more straightforward than they expected, especially compared with a JSA claim.

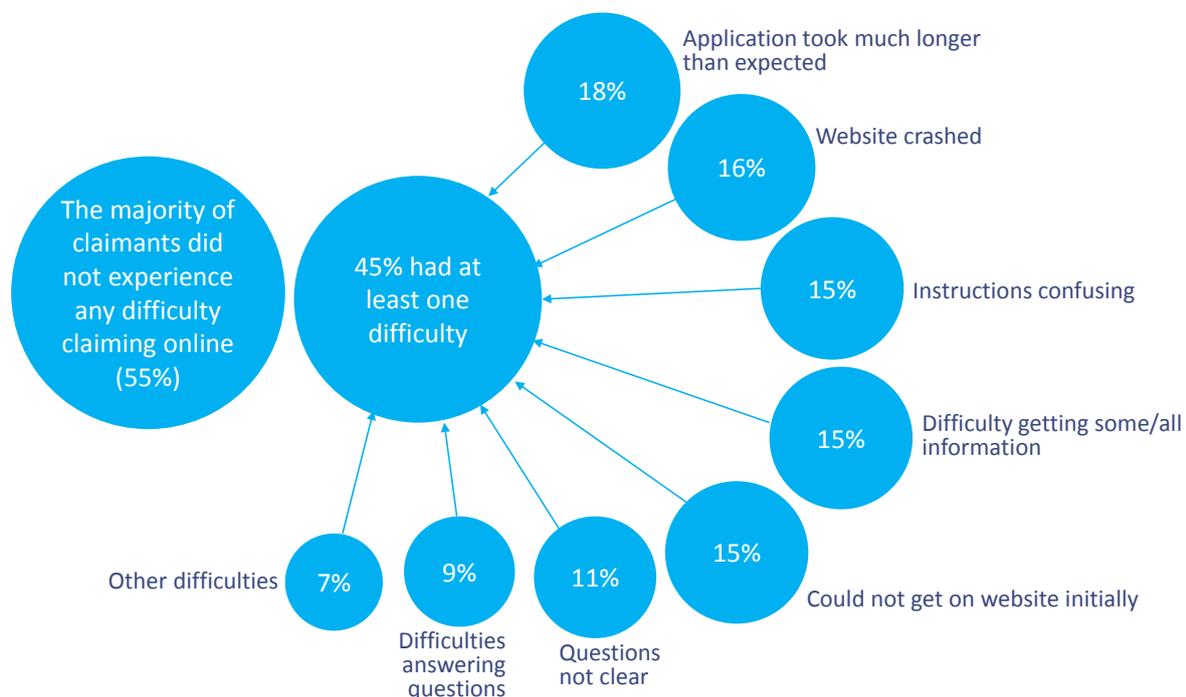
*“It was pretty painless really – I didn’t even need to phone up because the computer says yes you are entitled to claim UC then the Jobcentre called me and gave me an appointment”*. Male, 45+, Oldham

*“Universal Credit seems a lot quicker [compared to JSA claim]”*. Male, 25-34, Bolton

*“It was straightforward, I just applied, the only thing was the waiting time [for the UC payment]”*. Female, 35-44, Manchester

Nonetheless, the survey found that some claimants experienced difficulties claiming UC online. Figure 3.3 shows that around two in five (45%) of those who claimed online experienced at least one difficulty with the process. Around one in six thought the application took longer than expected to complete (18%) or had problems with the website crashing (16%). A minority also thought the instructions on how to complete the application were confusing (15%) or found it difficult to get some or all of the information required (15%). Those with a complex claim including housing support experienced most difficulty (Table 3.1).

**Figure 3.3: Experiences of claiming UC online**



Base: All Wave 1 claimants who claimed online (765)

Source: Ipsos MORI

**Table 3.1: Top four reasons why claimants cited difficulties claiming UC online, and the total who experienced at least one difficulty, by type of claim**

	Complex claim (including a housing element)	Simple claim (no housing element)
<i>Base</i>	(124)	(602)
Application took much longer than expected	34%	13%
The website crashed while you were using it	22%	13%
The instructions on how to complete the application were confusing	23%	12%
Had difficulty getting some or all of the information required	31%	11%
<i>At least one difficulty</i>	63%	39%
<i>No difficulties</i>	22%	61%

Source: Ipsos MORI

Base: All participants who claimed online and who had a known claim type (726)

The qualitative research sheds some light on this. It found that, at the point they completed their claim online, some claimants had not understood this was supposed to include their housing costs and as a result they completed the claim form incorrectly (leaving off this element). There was some evidence to suggest that this related to the particular wording of the form – which was said by one claimant to ask about ‘rent’ and therefore had not been deemed relevant as they had not previously been responsible (under the prior Housing Benefit arrangements) for paying their own rent. These instances around the housing element were resolved eventually and the claimants, despite having found the guidance unclear, were not especially aggrieved.

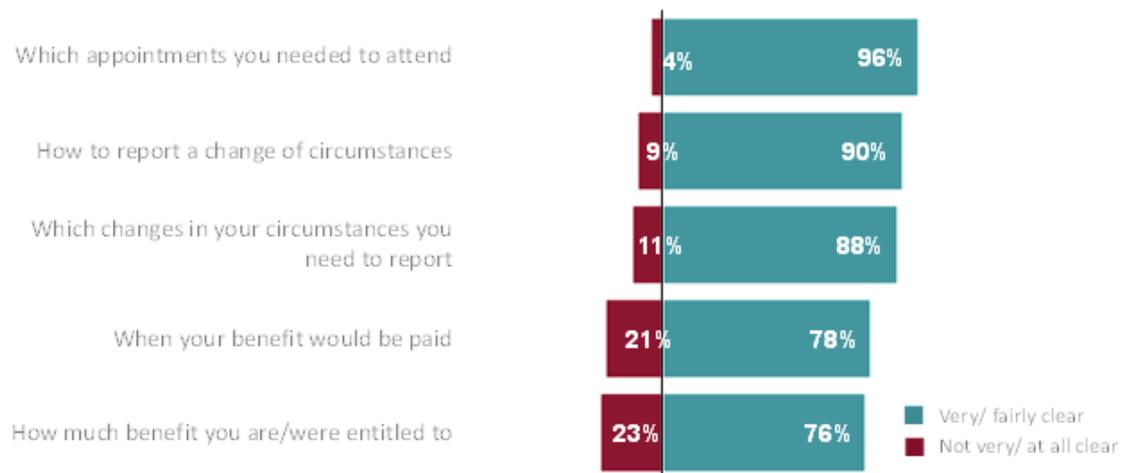
Among the minority (9%) who tried to submit their claim online but then used a different channel, the main reasons were due to problems getting on to the website or the website crashing while they were using it. A minority thought the application took too long to fill out or did not know the answers to some of the questions, so they applied by phone or in person instead. Very few claimants (6%) never tried to claim online at all. Although most of these knew they could claim online, they preferred to talk to someone.

After submitting their claim, nine in ten (89%) claimants were clear about what would happen next in the process, although one in ten (10%) were unclear. Claimants whose claim included a housing element (24%), lived in social housing (22%) or private-rented accommodation (17%), or were aged 35 or above (18%), were most likely to feel the next stage of the claim was unclear.

### 3.2.2 The first UC interview

Figure 3.4 shows that the vast majority of claimants were clear on the administrative requirements of claiming UC, such as which appointments to attend, how to report a change of circumstance and which changes of circumstance to report. Fewer people – but still a large majority - were clear on when to expect payment and how much they were entitled to.

**Figure 3.4: Clarity about UC administrative requirements and payments**



Base: All Wave 1 UC claimants (900)

Source: Ipsos MORI

Almost all the claimants were clear on which appointments to attend. Only 4% were not, rising to one in fourteen (7%) for social tenants. Claimants who rented privately were more likely to be unclear on how to report a change of circumstance (16% compared with 9% overall) and which changes of circumstances they needed to report (20% compared with 11% overall). Claimants with a complex claim including a housing element (19%) and living in social-rented accommodation (17%) were also more likely than average to be unclear on which changes of circumstances to report.

The qualitative research focused more specifically on how claimants experienced the different elements of the initial process. PASA meetings were mostly straightforward: claimants had understood the purpose of this meeting and taken the right documentation. Generally, participants seemed to have waited one to two weeks between submitting the form and seeing the PASA, though in some cases this was within just a few days.

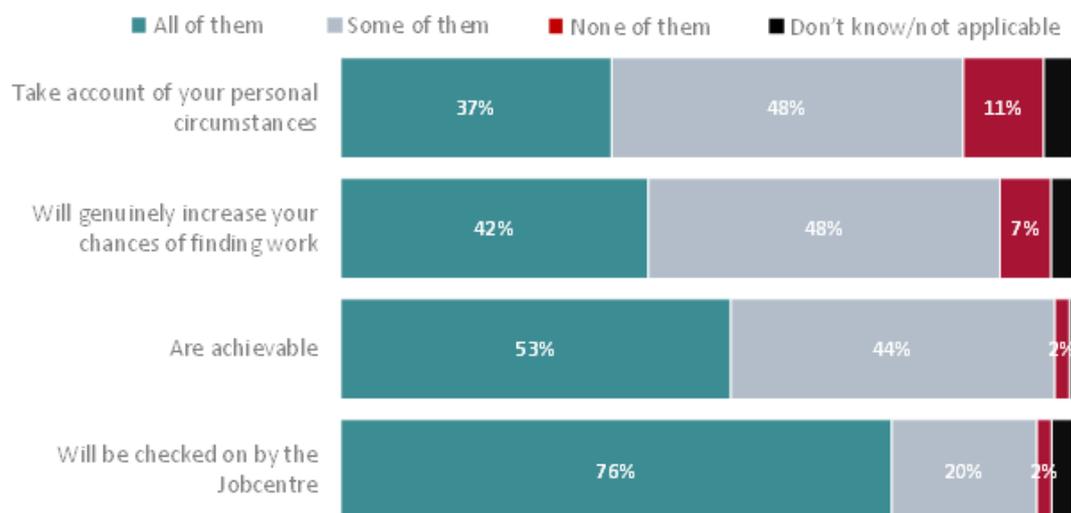
Some claimants indicated that the PASA had given a brief explanation of UC. This tended to focus on the Claimant Commitment (CC) conditions – or as one person put it - ‘the rules’ - as opposed to some of the positive aspects of UC.

### 3.2.3 The Claimant Commitment

Nine in ten (91%) UC claimants felt their Jobcentre Plus adviser explained the conditions of claiming UC very or fairly well, although this declines to around four in five social (84%) or private (81%) tenants. The vast majority of claimants recalled being told that their UC might be reduced or stopped if they did not agree to certain conditions (94%).

Almost all claimants (95%) remembered signing a CC and their initial attitudes towards this (at Wave 1 of the survey) were very positive in that around nine in ten agreed that at least some of the actions in their CC were appropriate, useful and achievable. Notably, they were more confident that all of the actions in their Claimant Commitment would be checked on by the Jobcentre, than about whether they were all achievable, would help them to find work, or would take account of their personal circumstances (Figure 3.5). Qualitative research found that people perceived the CC as critical to the upkeep of their claim. They were generally very clear about the amount of time they were required to spend on job search activity, the need to evidence this, and the implications of not fulfilling their requirements – that is, that this might result in a sanction referral.

**Figure 3.5: Confidence in the Claimant Commitment at Wave 1**



Base: All Wave 1 UC claimants (900)

Source: Ipsos MORI

Around two in five (37%) thought all of the actions in their Claimant Commitment took into account their **personal circumstances**. Those with simple claims were more likely to feel this (39%) compared to 31% with a complex claim.

The qualitative research found that claimants often supported the idea of a system that emulated the real world of work and were broadly accepting of the principle of

sanctioning claimants who did not comply, although some they felt there should be more flexibility to take account of personal circumstances. In particular, it was usual for claimants to report having been told that the 35 hour CC needed to take place spread over a seven day period (five hours per day). Claimants felt it was unfair to expect them to engage in activities over the weekends if they were not looking for weekend work<sup>5</sup>. This was especially the case for some men who informally looked after their children at weekends.

Around two in five (42%) thought all the actions in their CC would **increase their chances of finding work**. Again, those with a simple claim were more positive than those with a complex one (44% compared with 26%). Older claimants aged 35 or more and social tenants were less likely to feel all the actions would increase the chances of finding work. In the qualitative research, graduates in particular highlighted a degree of dissatisfaction with having to look for work outside of their chosen employment field, in being required to focus on finding full time work rather than more relevant part time work (that might be related to their degree) and in not being able to undertake unpaid placements unless arranged through the Jobcentre.

Half (53%) deemed all of the actions in their CC to be **achievable**. Again more of those with simple claims agreed (57%) compared with 37% of those with complex claims. Those less likely to feel all their actions were achievable were aged 35 or above (39%), had Level 1 or no qualifications (43%), and lived in private-rented (44%) or social-rented (37%) accommodation.

Around three in four (76%) claimants believed all of the actions in their CC would be **checked by the Jobcentre**. Those less likely to agree were claimants who had found paid work, or those with a degree or higher level qualification (69% each). This is one factor where there is no significant difference between those with simple and complex claims. The qualitative research highlighted some areas of confusion around the CC. Examples included:

- The types of activities that could/could not be captured – for example whether time spent at a job interview would count;
- The period over which the 35 hours should be spread; and
- The process claimants are expected to go through once a formal job offer was received.

Compared with the Pathfinder Evaluation<sup>6</sup>, claimants in Wave 1 were less positive that *all* of the actions in their CC took into account their personal circumstances or would genuinely increase their chances of finding work (Table 3.2 overleaf). However, similar proportions agreed all of the actions in the CC were achievable and would be checked on by the Jobcentre.

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<sup>5</sup> It should be noted that this is not a standard policy for UC, but it was the experience reported by some claimants in the qualitative research.

<sup>6</sup> DWP (2014) Universal Credit Pathfinder Evaluation – among UC Claimants in Pathfinder areas, JSA Claimants in matched comparison areas and JSA Claimants nationally with for each group three waves of research, an initial wave of c.900 interviews and two follow-up waves,

**Table 3.2 – Views of the Claimant Commitment – Extended Gateway and Pathfinder Evaluations (Wave 1)**

Agreement that <u>all</u> of the actions in the Claimant Commitment....	Wave 1 Extended Gateway Evaluation (Overall)	Wave 1 Extended Gateway Evaluation (Simple Claims)	Wave 1 Pathfinder Evaluation
Base	(856)	(658)	(874)
Take into account your personal circumstances	37%	39%	47%
Will genuinely increase your chances of finding work	42%	44%	53%
Are achievable	53%	57%	59%
Will be checked on by the Jobcentre	76%	76%	78%

Base: All Wave 1 UC claimants who remember signing the CC (856)

Source: Ipsos MORI

At Wave 2, those who *strongly agreed* that the actions in their Claimant Commitment would genuinely increase their chances of finding work rose to 50 per cent. Overall, other views of the Claimant Commitment remained consistent between Wave 1 and Wave 2.

### 3.2.4 Work Search Reviews

Figure 3.6 shows that the majority of UC claimants were largely positive in their views on the encouragement, advice and support provided by UC staff. Where the questions were asked in both waves, findings were consistent between them.

The vast majority of UC claimants in Wave 2 also agreed that attending the Work Search Reviews meant they were more likely to keep doing what the CC required of them (85%) and, among those working below 30 hours per week, that UC staff took into account how much time they had available to work when assessing their CC (90%).

The proportion who agreed that the Work Search Review was helping them to find work was lower than for other aspects (67%) but still in the majority, and in line with the earlier Pathfinder research (where it was 64% at a similar point, Wave 2).

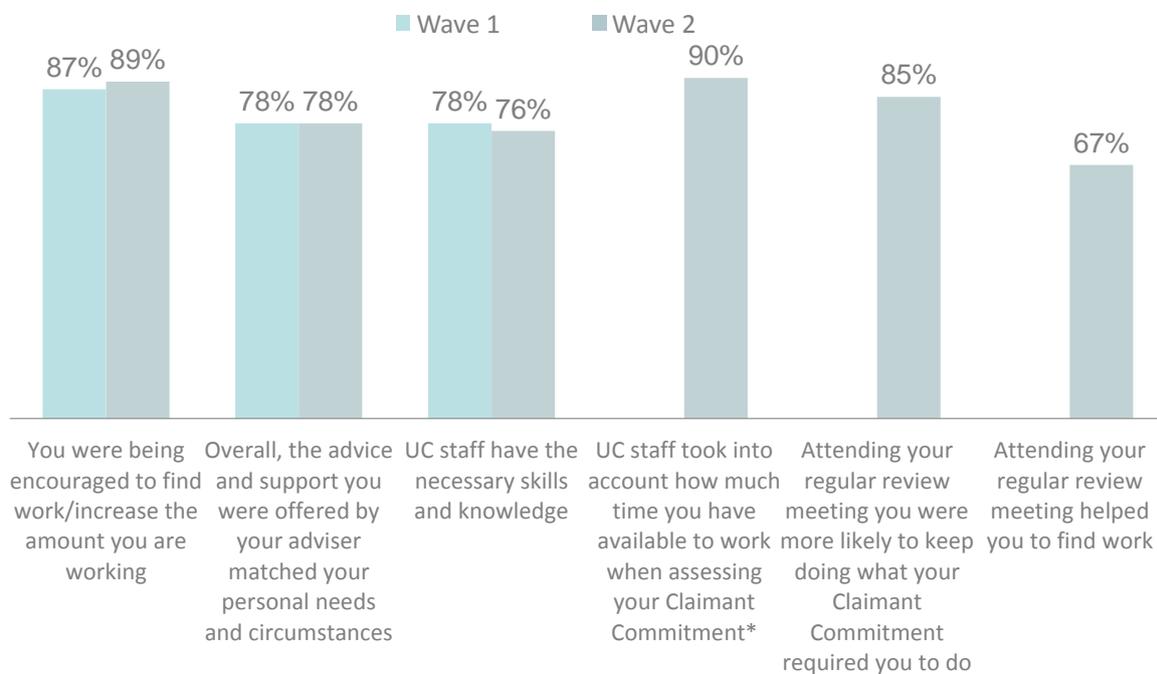
Generally, the findings are similar to those of the previous Pathfinder research *except* that:

- the proportion who agreed UC staff had the necessary skills and knowledge has *declined* (from 85% in the Pathfinder survey to 76% overall, or 80% among people with simple claims); and

## Universal Credit Test and Learn Evaluation: Findings from research with Extended Gateway claimants

- the proportion who agreed they are being encouraged to find work or increase their hours has *increased* (89% overall, rising to 91% of people with simple claims – compared with 79% at Wave 2 of the Pathfinder survey).

**Figure 3.6: Proportion of claimants who agreed with the following statements...**



Base: All Wave 1 (900) and Wave 2 (461) UC claimants; \*All Wave 2 UC claimants working below 30 hours per week (63)

Source: Ipsos MORI

Looking across these findings as a whole, under-25s were consistently more positive about the role of the Work Search Review meetings and the support they received from UC staff. For example, 84% agreed that the advice they received matched their personal needs and circumstances compared with 65% of those aged 35 or older, among whom 29% disagreed. Similarly, 73% of under-25s agreed that their regular Work Search Review meetings made them more likely to find a job, compared with just 54% of claimants aged 35 or older. This may relate to claiming history: older people were more likely to have previously claimed JSA, and had more extensive prior contact with Jobcentre Plus.

Other people who were less likely to be positive about Work Search Review meetings were those making a complex claim that included housing support. This was particularly the case regarding views on whether UC staff had the necessary skills and knowledge. Overall, 80% of people with simple claims agreed with this compared with 64% of those with complex claims (30% of whom disagreed).

The qualitative research identified that claimants tended not to distinguish between the Work Coach meeting ('support') and the fortnightly review meeting run by the Assistant Work Coaches. When asked about the content of the Work Coach meeting claimants would talk initially and/or predominantly about the process of checking their CC evidence, and some felt that they had little input beyond this.

## Universal Credit Test and Learn Evaluation: Findings from research with Extended Gateway claimants

There were some positive comments about the Work Coaches to the effect that they were friendly and encouraging, and some noted particular things they had really appreciated such as being directed to temporary vacancies that were subsequently secured, or financial assistance for travel to interviews.

*“They help me look for jobs that they’ve seen that I might not have seen, show me websites I can go on that I might not know about, point out apprenticeships that I might be interested in. They’ll check my job search one week, and then I’ve got my main, actual person, who helps me find work and stuff.”* Male, 18-24, Manchester

What was clearer at Wave 2 was that some people felt they were being encouraged by the Work Coach to *broaden* their work search – in relation to the type of work or industry they were looking, the location of the employment or the hours of work. Reactions to this were mixed; with some claimants being resistant and others more open to the change. Reactions were often linked to how set claimants were on a particular career and how flexible they were willing to be. For example, a number of graduates or college leavers felt strongly that they had trained for a particular profession and wanted to focus on this. Others noted that although it may have been frustrating initially, ultimately came to feel it was beneficial.

*“Sometimes it’s frustrating, because they push you, but you’ve just got to do it.”*  
Male, 18-24, Liverpool

Where there was less satisfaction, this was often linked to a lack of a tailored approach and a perceived lack of adviser input – which was felt by some to be a result of advisers being too busy. Some felt that their relationship with the Jobcentre was predominantly about checking their work search evidence, as opposed to offering tailored advice or guidance.

*“I get the sensation very much it’s just them making sure I am fulfilling their minimum requirements, I don’t get any pertinent advice really.”*  
Male, 18-24, Manchester

All in all, the qualitative research found evidence of positive relationships developing between claimants and Jobcentre staff; some claimants were very glad of the input and encouragement they received and made favourable comparisons to past experiences of JSA. The claimant-adviser relationship was to some extent undermined, however, by continued confusion about Jobcentre roles - claimants at Wave 2 were still often unsure who their Work Coach was and some suggested they saw a different person each time (this is likely to be due to a lack of clarity among claimants about whether they were seeing the Work Coach or the Assistance Work Coach).

*“I think my best way is to assign people personal Work Coaches, where you get to know them, and to know what their strengths are, but there’s that many people that it’s hard.”* Male, 18-24, Liverpool

*“I didn’t see the same person twice... for someone who does need a bit more motivation, if they feel messed around they are not going to appreciate it.”* Female, 18-24, Oldham

Claimant engagement with the Jobcentre was variable and related strongly to personal circumstances, which impacted on the extent to which people felt they needed support (the Work Coach input and/or the financial support). This presents a recognised challenge for UC, in that it is catering for a very mixed group of people (wider than under JSA) with different needs and expectations.

For example, there were those who felt the adviser meetings had no impact on their work search behaviour, either because they were already highly motivated to find work, or because they deemed their usual approaches to be sufficient. A range of factors can potentially interact to result in claimants being less engaged including:

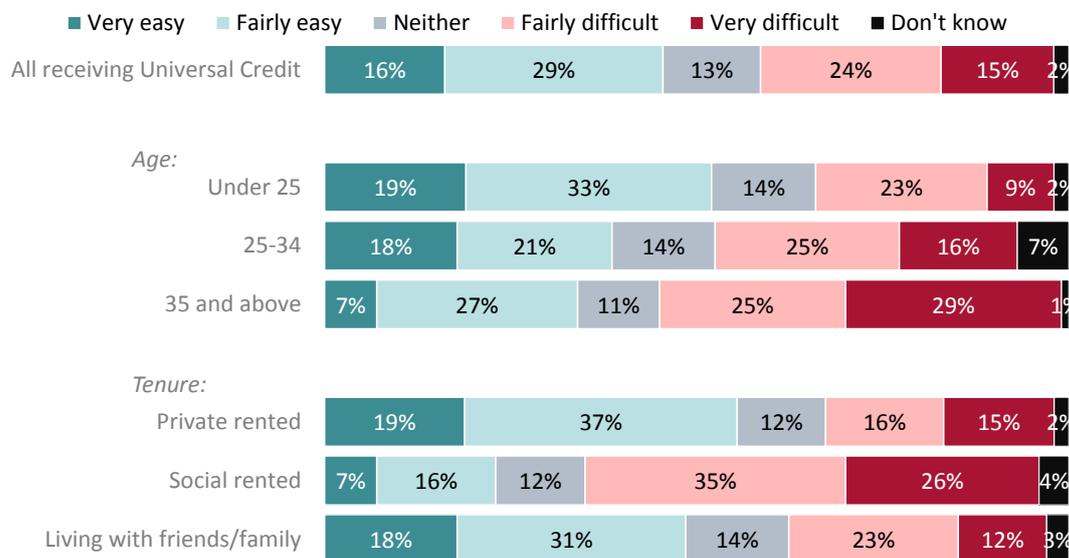
- Being out of work for a relatively short period;
- Living with parents/ relatives and therefore being less dependent on the UC payment;
- Having a history of finding work through friends/ word of mouth; or
- Feeling highly capable of finding work without any input.

### **3.2.5 Full time job search**

Almost all (98%) of UC claimants were aware of the requirement to complete 35 hours job search per week. However, they were divided over how easy or difficult this was to achieve: just over two in five (45%) claimants found this target easy to reach, while a similar proportion (39%) found it difficult.

Figure 3.7 shows that those aged 35 or older, or living in social-rented accommodation, who were most likely to find it difficult. Under-25s (52%) and those qualified to degree level or above (53%) were most likely to find it easy. One-third (33%) of the claimants who found the 35-hour commitment difficult reported that it was because there were not enough jobs in their area to apply for (33%). This was followed by lack of access to the internet or to a computer at home (mentioned by 15%) and limited time for job search because of commitments to their existing part-time job (13%).

**Figure 3.7 – Views of the ease of completing 35 hours’ job search – Extended Gateway and Pathfinder Evaluations (Wave 2)**



Base: All Wave 2 UC claimants who are receiving Universal Credit (301)

Source: Ipsos MORI

The qualitative research echoed these reasons:

- **A limited number of jobs, opportunities or local employers** - claimants felt limited by the local job market believing there was only so much that they could do in terms of job search given the number and types of jobs on offer. Similarly if claimants were trying to find work in specific fields (particularly ad hoc work) they felt limited by how many times they could contact a specific employer.
- **Insufficient activities to fill the time** – claimants who had set up job alerts could quickly identify any new jobs and apply for them –computerised systems made it a very quick process. One claimant suggested they could apply for 50 jobs in two hours and so felt they did not need to spend five hours a day making applications.
- **Practical barriers** – including lack of internet access and IT skills - claimants who did not have access to the internet or a computer at home found it harder to do the required number of hours. Even with access to libraries and Jobcentres, some claimants still thought that this was difficult for them.
- **Financial barriers** – lack of funds was said to impede job search as claimants did not always have the money to pay for their travel to visit employers, hand out CVs in person, or attend the library or Jobcentre.

*“I can look on the Jobcentre website four, five times a week, and if it’s only the jobs you’ve already applied for, what more can you do?” Female, 18-24, Liverpool*

*It’s far too many [hours]... there’s only so many people you can go and see in a week, and then the next week you’re struggling... you are going to run out of places to go and people to ring”. Male, 35-44, Liverpool*

It seems likely (based on claimant explanations) that in reality some advisers were operating a degree of discretion (in line with the policy guidance) – particularly regarding the number of hours evidenced each week and the ability to negotiate alternative hours, for example in the case of those with long term physical or mental health conditions. Flexibility was well received, and was said to help build a more open and trusting adviser-claimant relationship.

Importantly, the CC does seem to have had positive effects on claimant’s work search attitudes and behaviours. The CC was said to encourage claimants to do more work search than had previously been the case under JSA. Claimants felt that it gave them a different way of thinking about their job search, in that they were thinking of it as a full-time job, rather than as on JSA simply having to apply for a set number of jobs or complete a set number of tasks. One claimant even referred to the terms of the CC as something that they needed to fulfil in order to “get paid”. Even where they were not fulfilling the full 35 hours, the targets had led them to develop a clearer structure to their work search which they found useful and motivating.

*“Going in every day, five days a week; it’s mind boggling... at first. But now getting used to it...It does seem fair that if you do that for them, then you’ll get paid.” – Male, 45+, Wirral & Wallasey*

### **3.2.6 Evidencing job search**

All of those interviewed in the qualitative research were aware of the need to evidence their job search, and most seemed to be capturing this electronically using Universal Jobmatch (UJ), although some were using paper booklets provided to them by Work Coaches. Work Coaches had been flexible in accepting paper-based evidence, though it is not clear to what extent alternatives to using UJ were discussed as a matter of course as part of the Work Coach interview. Broadly, the process of collating evidence was working well and on the whole claimants felt comfortable with it and clear about the requirements:

*“On jobseekers you were never sure how much evidence to take in with you, but it’s clearer now.” Female, 25-34, Manchester*

A few claimants indicated that they felt the required level of record keeping was unreasonable, with the information required being very specific. Others had not appreciated the level of detail that would be required.

*“What’s more important writing notes [on job search] or preparing for an interview?”  
Female, 18-24, Wirral and Wallasey*

### 3.2.7 Reporting changes of circumstances

UC claimants are required to report any changes in their circumstances by telephone to the UC Service Centre. Changes of circumstance can include a change in employment status, marital status, address, or type of accommodation. Similar proportions of UC claimants (29%) and JSA claimants (25%) had experienced a change in circumstance in the approximately three-month period between Wave 1 and Wave 2. Around one in ten of these claimants had not reported their change in circumstance to the Jobcentre (9% of UC claimants and 11% of JSA claimants).

Among those who had reported a change of circumstance, the main one among both groups of claimants was a change in employment status (87% of UC claimants and 81% of JSA claimants). This is to be expected given that around two in five had moved into work by Wave 2. This was followed by ‘other’ changes, change of address and changes in type of accommodation.

Most claimants contacted the Jobcentre by phone to inform of a change of circumstance, followed by face-to-face in the Jobcentre (Table 3.3). UC claimants were more likely than JSA claimants to inform the Jobcentre by phone, reflecting the requirement for them to inform of changes via the UC Service Centre.

**Table 3.3 – Channel used to report a change of circumstance**

	UC	JSA
Base	(115)	(108)
By phone	79%	58%
Face to Face in a branch of Jobcentre Plus	27%	38%
By letter	2%	1%
By email	1%	5%

Base: All Wave 2 participants who informed JCP that their circumstances changed

Source: Ipsos MORI

### 3.2.8 Making calls to the Service Centre

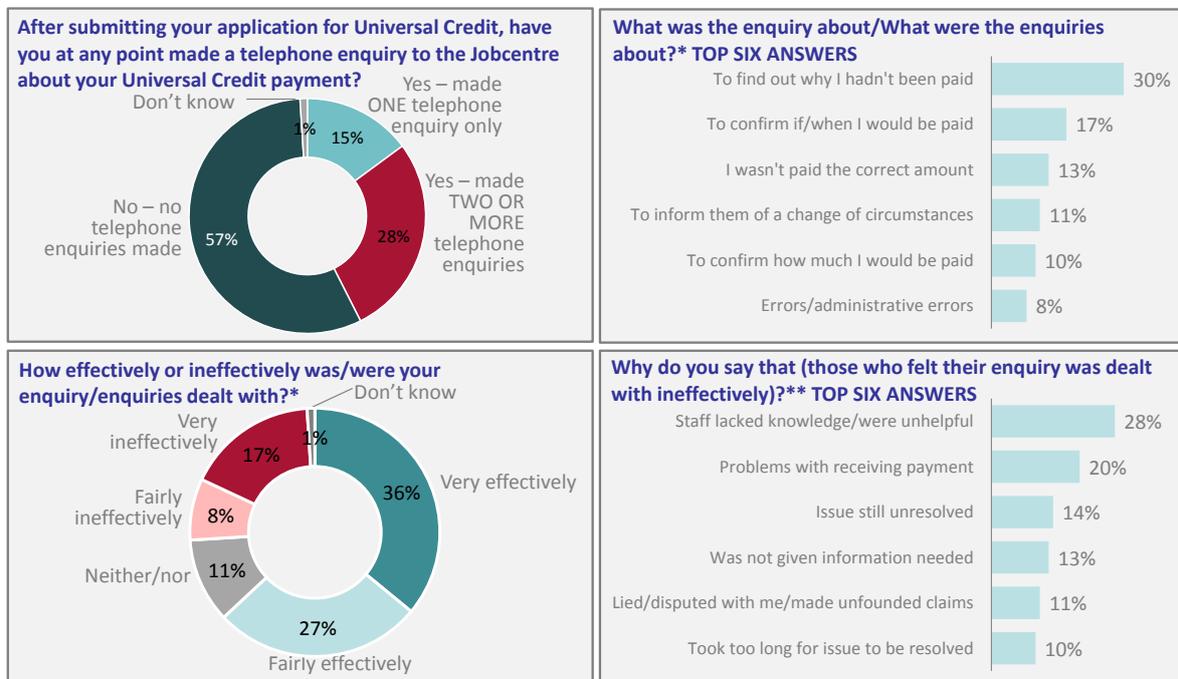
Two in five UC claimants (43%) had made at least one telephone enquiry to the Service Centre by Wave 2. Of these, people with complex claims were more likely to have made multiple calls (43% compared with 23% of those with a simple claim).

As can be seen in Figure 3.8 the main reasons for calling were regarding payment such as when they would get paid or why they hadn’t. While two-thirds (63%) felt their enquiry was dealt with effectively, one-quarter (25%) did not. Primarily this was

## Universal Credit Test and Learn Evaluation: Findings from research with Extended Gateway claimants

because of perceived lack of knowledge among staff dealing with the enquiry, continued difficulties receiving payments, and the query remaining unresolved / lack of a call back.

**Figure 3.8: Telephone enquiries about UC payment**



Base: All Wave 2 UC claimants (461); \*All Wave 2 UC claimants who made a telephone enquiry (195); \*\*All Wave 2 UC claimants who felt their telephone enquiry was dealt with ineffectively (154)

Source: Ipsos MORI

### 3.2.9 Initial views about claiming Universal Credit compared with JSA

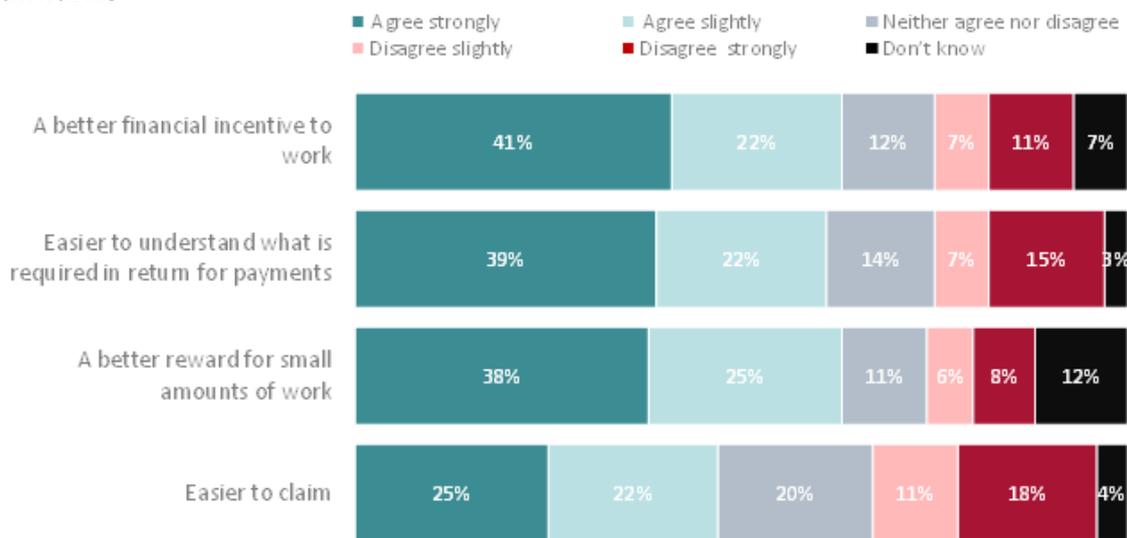
Half the UC claimants (54%) had received JSA at some point in the last two years. These tended to be older claimants: around two in three (67%) were aged 25 or older, compared with two in five (43%) of the under-25s. This relates to eligibility – JSA is not available to young people until they are aged over 18 and no longer in education.

Claimants who had experienced both UC and JSA were positive about the changes under UC. The majority regarded UC as a better reward for small amounts of work (64%); a better financial incentive to work (63%); and thought that UC makes it easier for claimants to understand what is required from them in return for receiving payments (61%). Younger people were most likely to be positive. For example, 76% of those aged under 25 agreed that UC is a better financial incentive to work compared with 50% of claimants aged 35 or above.

UC claimants whose claim included a housing element, or who lived in social housing, were more likely to disagree that it is easier to understand what they are required to do in return for payments, compared with JSA (34% each vs. 22% overall). Almost half (48%) of those with housing costs agreed, compared with 67%

of those whose claim did not include housing costs as they were living with relatives or friends. The majority (58%) of those with housing costs were also positive that UC is a better reward for small amounts of work, compared with 66% of those with no housing costs. One in five of those with housing costs disagreed (21%, compared with 14% of those living with relatives or friends).

**Figure 3.9: Perceptions of UC compared with JSA, among former JSA claimants**



Base: All Wave 1 UC claimants who had claimed JSA in the last 2 years (478)

Source: Ipsos MORI

Almost half of claimants (47%) agreed that UC is easier to claim than JSA; while three in ten (28%) disagreed. Looking *just* at those with simple claims (i.e. without a housing element), the proportion who agreed that UC is easier to claim was similar to that found in the Pathfinder survey (53% of simple claims agreed, compared with 49% of all claims in the Pathfinder).

Claimants with more complex claims including a housing element were much more likely to *disagree* that claiming UC is easier (46% disagreed compared with 28% overall). This is likely to be because UC takes into account housing costs and therefore requires more time and evidence than claiming JSA alone.

### 3.3 Budgeting and monthly payments

A key difference between UC and many other benefits is that UC is paid monthly. Therefore claimants may need to adjust their budgeting strategies if they had been used to more regular payments. The following section looks at the views and experiences of claimants of monthly payments and budgeting with their UC payment.

### 3.3.1 Experience of monthly payments

The vast majority of UC claimants reported being paid UC monthly – 91% in Wave 1 and 95% in Wave 2<sup>7</sup>. By contrast most JSA claimants received their payment once a fortnight –92% in Wave 1 and 97% in Wave 2.

### 3.3.2 Views on monthly payments

Around three-quarters of UC claimants were at least fairly confident in monthly budgeting (Table 3.4) while around two in five were *very* confident. This is a similar level to the proportion of JSA claimants who were confident in fortnightly budgeting (70% in both waves) although compared with UC claimants, fewer claimed they were *very confident* (29% of Wave 2 JSA claimants compared with 39% for UC).

Unsurprisingly, among UC claimants those with simple claims were more likely to be confident in budgeting than those with complex claims (78% vs. 60% in Wave 2) as they do not have housing costs to consider.

**Table 3.4 – Confidence in monthly budgeting – Wave 2**

How confident do you/did you feel in your ability to budget with a monthly Universal Credit as opposed to more regular payments? Would you say...	Wave 2 Extended Gateway Evaluation (Overall)	Wave 2 Extended Gateway Evaluation (Simple Claims)	Wave 2 Extended Gateway Evaluation (Complex Claims)
Base	(436)	(326)	(108)
Very confident	39%	43%	29%
Fairly confident	35%	35%	31%
Not very confident	15%	13%	19%
Not at all confident	11%	8%	21%
Don't know	*%	*%	0%
<i>Very/fairly confident</i>	<i>74%</i>	<i>78%</i>	<i>60%</i>
<i>Not very/not at all confident</i>	<i>26%</i>	<i>22%</i>	<i>40%</i>

Base: All Wave 2 UC claimants who receive a monthly payment (436)

Source: Ipsos MORI

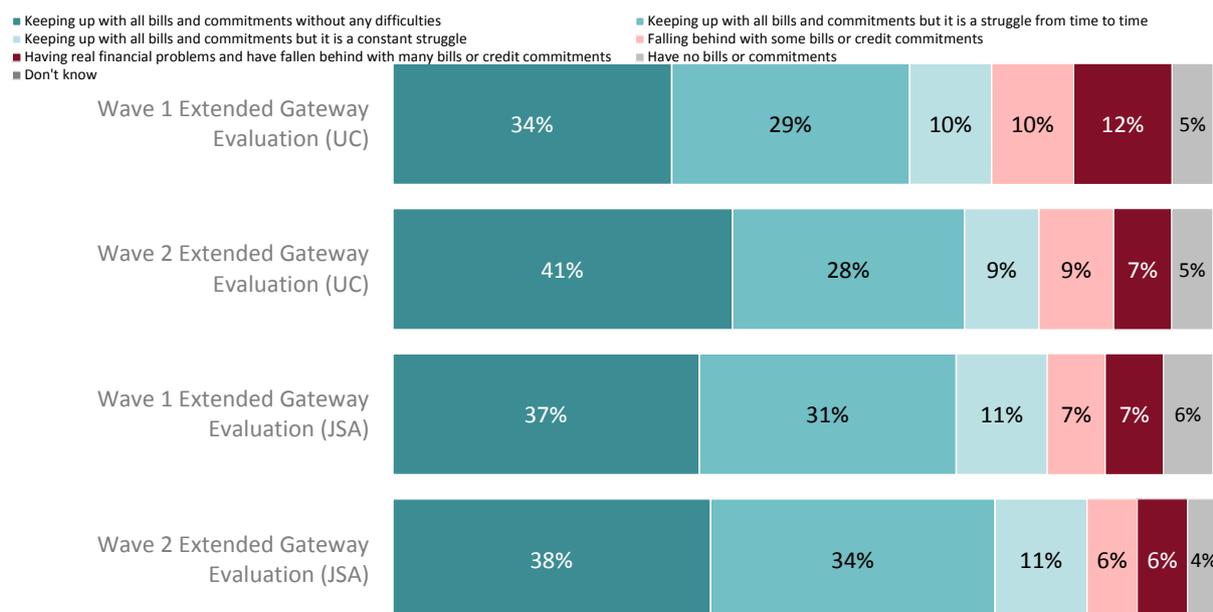
<sup>7</sup> The legislation provides for monthly payments in arrears unless the Secretary of State arranges otherwise, and the Department has put in place a process to pay more frequently where it's in the claimant interests to do so. The intention is that such payments will be time limited and claimants will be encouraged to move to the usual monthly payment as soon as possible. The Department has put in place budgeting support to help with this.

Additionally it was those in the younger age group that were more likely to feel at least fairly confident in budgeting with monthly as opposed to more frequent payments (80% of under-25s were at least fairly confident compared with 62% of those aged 35 and above), as were those living with friends or relatives (79% compared with 65% of those in social-rented accommodation and 62% of those in privately-rented accommodation). Among JSA claimants there were similar differences by age and living arrangements.

### 3.3.3 Experience of budgeting

At Wave 2, the majority of claimants reported that they were keeping up with bills and other financial commitments in the previous two months: 78% of UC claimants and 83% of JSA claimants. The proportion of UC claimants who were keeping up increased since Wave 1 (73%), when a substantial minority had not yet received their first UC payment.

**Figure 3.10: Keeping up with bills and other financial commitments (Wave 1 and Wave 2)**



Base: All claimants (UC Wave 1: 900; UC Wave 2: 461; JSA Wave 1: 900; JSA Wave 2: 499)

Source: Ipsos MORI

The qualitative research found that some claimants credited the monthly payment interval with encouraging them to budget over a longer timescale:

*“If you get your money monthly you know you have to save half of it but if you get it every two weeks you just spend it all in one go as you only have two weeks to wait.”*  
Male, 18-24, Manchester

*‘It’s a lot better [than JSA] because you get the same amount of money and you’ve got no choice but to budget.’* Male, 25-34, Oldham

## Universal Credit Test and Learn Evaluation: Findings from research with Extended Gateway claimants

Figure 3.10 shows that 16% of UC claimants and 12% of JSA claimants reported falling behind with bills and financial commitments at Wave 2. This represents a decline from 22% of UC claimants at Wave 1, when, as discussed previously, a substantial minority were waiting for their first UC payment.

There was a sharp divide between people who had to pay housing costs and those who did not, among both UC and JSA claimants. Among UC claimants, 47% of those with simple claims reported keeping up to date without any difficulties at Wave 2, compared with just 20% of those with complex claims. In contrast, 29% of those with complex claims reported they were falling behind with some bills or other financial commitments, compared with 12% of those with a simple claim. The qualitative research found that although some people were budgeting well, others reported to be struggling financially and appeared especially sensitive to financial shocks, such as things around the house breaking down and needing repair.

*“I try my best, but it doesn’t go very far. The first thing I do is pay my bills, if there’s an emergency or something, and you’ve got to pay out for it, you can’t even get a crisis loan.” Female, 35-44, Manchester*

*“You’re waiting for the money to come, and when it comes it’s in one hand and it’s straight out the other because you’ve had to borrow to get to that point.” Female, 18-24, Liverpool*

Most people did not report obtaining extra funds in addition to their benefit payments between Wave 1 and Wave 2, but among the minority who did, for both claimant groups the most common source was friends or family (called on by 23% of UC claimants and 21% of JSA claimants). The next most common source was an advance from Jobcentre Plus or DWP, used by seven per cent of UC and three per cent of JSA claimants in Wave 2. The proportion of UC claimants who had used an advance fell markedly compared with Wave 1, when one in five (22%) reported getting an advance payment of their benefit to cover the period before their first payment.

The qualitative research highlighted that the most frequently mentioned issue regarding finances was the initial five week wait for receipt of payment following submission of the claim form (a timescale of which not all were aware). Some claimants found this stressful as they had struggled to manage their outgoings:

*“We’d been suffering for 5 weeks...I don’t like the fact that it takes so long” Female, 35-44, Manchester*

Awareness of the option to get an advance was variable and there were no clear patterns by Jobcentre location. Although this could be a reflection of claimant recall, it

seems probable that this was offered on a discretionary basis<sup>8</sup> by Jobcentre staff, which may mean that not all those who would benefit from the support were proactively offered it by their Work Coach<sup>9</sup>.

Views about the advance varied, reflecting both claimants' level of need, but also their attitudes to debt and the extent to which they were used to struggling to get by. Certainly not all of those who felt they were in need of money took it up when offered and some indicated that they preferred to borrow from friends or family if necessary.

According to DWP policy, UC claimants can pay back an advance loan over a maximum period of six months (payment is deducted from their monthly UC award automatically), and most people in the qualitative research opted for this.

Claimants expressed differing views regarding the rules around advance payments, with some claimants believing multiple advances could be taken and others suggesting these could only be taken out during the initial waiting period or if they had a change in employment circumstances, for example, moving in and out of work. This suggests that some claimants do not fully understand what is available and when. To clarify, UC does stipulate that claimants are entitled to a further advance in the case of a change in circumstances resulting in a significant increase in their UC entitlement<sup>10</sup>.

### 3.3.4 Housing costs

#### Managing housing costs

At Wave 1, similar proportions of UC and JSA claimants reported that they received financial support for housing costs (either as part of their UC claim or as Housing Benefit). Around half (53%) of UC claimants who lived in rented or part-rented accommodation got this help, while one in three (33%) did not and the rest were unsure. Overall, this amounted to 17% of UC claimants in total. By comparison, 18% of JSA claimants received Housing Benefit, amounting to 59% of those living in rented or part-rented accommodation. By Wave 2, UC claimants had a much clearer idea about whether their claim included housing costs or not: the proportion of those

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<sup>8</sup> The Universal Credit Advance (for new claims) is available to claimants in the first month of their claim. Claimants must have underlying benefit entitlement, be in financial need and be able to afford the monthly repayments. The maximum advance is 50% of the total indicative monthly award before the claimant's payday, or 100% where the pay day has passed and a Universal Credit award has not yet been made. Source: DWP

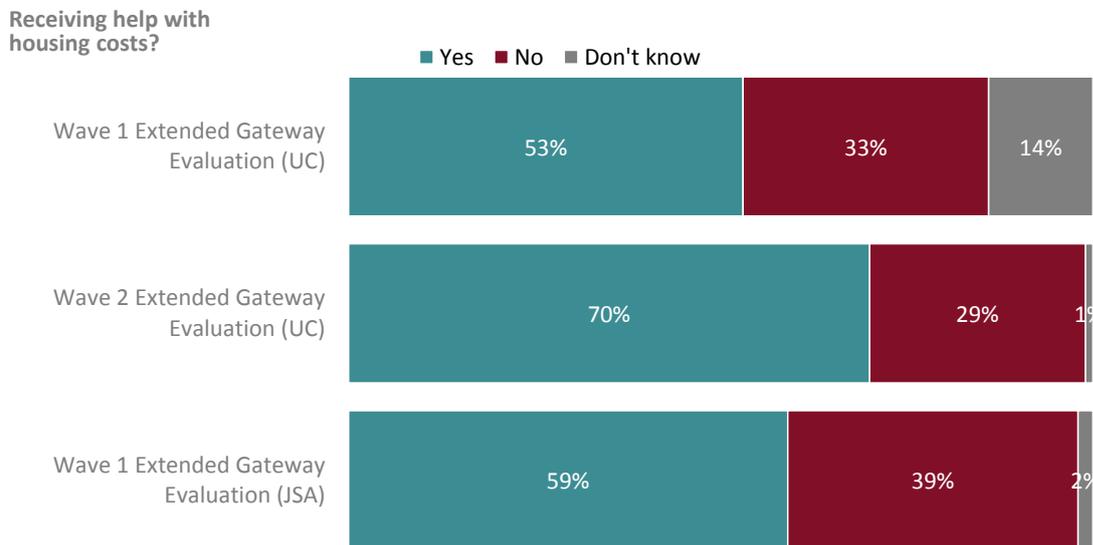
<sup>9</sup> It is not possible within this research to cross-reference reported claimant experience against administrative data to show how widely advances were being offered to claimants, or identify which claimants had been offered an advance. Therefore we don't know whether any of the claimants who suggested that they had experienced financial difficulties had been offered an advance but had chosen not to take it up.

<sup>10</sup> The rules for are the same as for the initial advance during the wait for the first payment, that is, that claimants must have underlying benefit entitlement, be in financial need and be able to afford the monthly repayments. The maximum advance claimants can receive is 50% of the total increase in award. Source: DWP

## Universal Credit Test and Learn Evaluation: Findings from research with Extended Gateway claimants

paying rent who said they did not know whether their UC included housing costs reduced from 14% to just one per cent.

**Figure 3.11 – Proportion of claimants in rented accommodation who received help with housing costs as part of their claim – Wave 1 and 2**



Base: All participants who live in rented or part-rented accommodation (UC Wave 1: 297; UC Wave 2: 158); JSA defined as those who receive Housing Benefit (134)

Source: Ipsos MORI

Base: All claimants who live in rented or part-rented accommodation. \*Defined for JSA claimants as currently being in receipt of Housing Benefit

The qualitative research identified some initial instances of confusion about the housing element, for example, claimants erroneously expecting that payment for rent would be directly paid to their landlord. Although this had caused some issues to begin with, landlords appeared to have given their tenants some leeway during this initial period:

*“By the time they sorted it out, it was about 5 and a half weeks [from submitting the claim], and when I got my first payment, they forgot to pay my rent. So I was late paying my rent. Luckily I’ve got an understanding landlord.”* Female, 25-34, Manchester

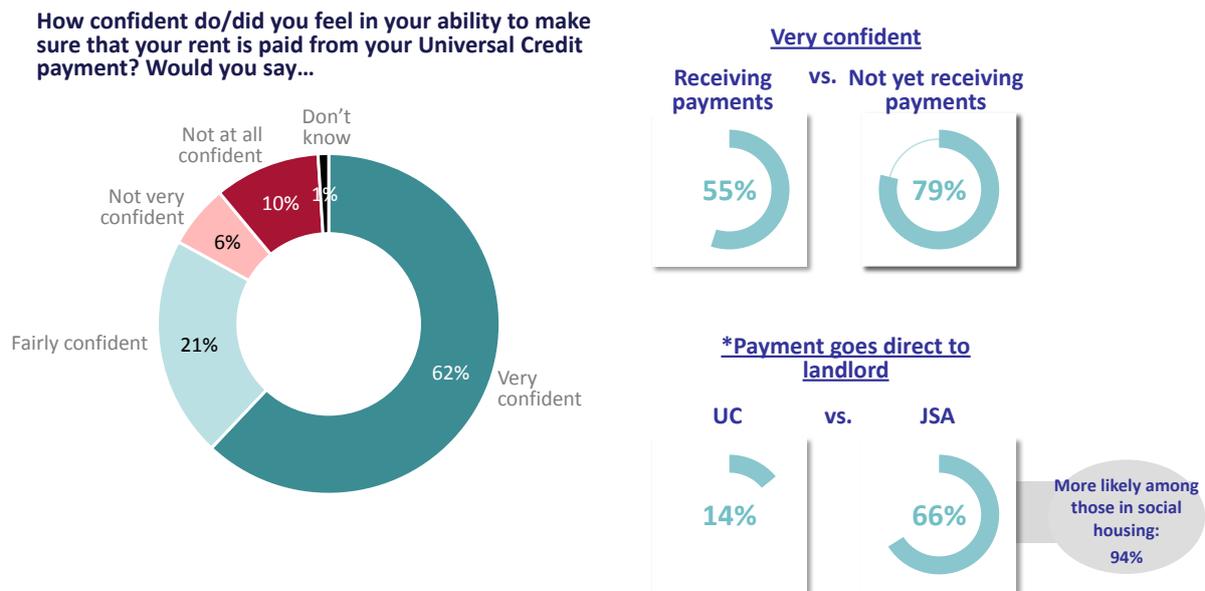
*“Universal Credit is a lot different; I didn’t know whether my housing was being paid into my account or whatever, because usually it does get paid directly to the landlord. But the money for Universal Credit has been put into my account and I’ve spent it thinking it was back dated pay.”* Male, 18-24, Wirral & Wallasey

At Wave 1, most (83%) UC claimants were confident in their ability to make sure that their rent was paid from their UC payment, although 16% were not. Of the few (n = 19) that were not confident, most did *not* feel that they needed advice or support. At Wave 1, those who have not yet received their first UC payment were especially likely to feel very confident in being able to ensure their rent was paid from UC (79% compared with 55% of those who had started to receive payments, suggesting that in

## Universal Credit Test and Learn Evaluation: Findings from research with Extended Gateway claimants

practice people found this more difficult than they expected). At Wave 1, most UC claimants (71%) who received help with housing costs were responsible for paying their own rent: only 14% had their rent paid directly to their landlord, and the rest (15%) were unsure. By contrast, among JSA claimants who got Housing Benefit, two in three (66%) had it paid directly to their landlord. This was especially likely among those in social housing (94%).

**Figure 3.12 – Confidence in ability to make sure rent is paid from UC – Wave 1**



Base: All UC participants with housing costs whose rent money is not deducted from their Universal Credit payment (Wave 1: 113) \*Base: UC: all receiving help with housing costs (Wave 1: 161); JSA: all receiving Housing Benefit (Wave 1: 167)

Source: Ipsos MORI

Although most people interviewed in Wave 1 of the qualitative research also felt confident that they would set money aside to pay their rent, a number felt they would feel safer and prefer to have this paid directly to their landlord.

*“There was a law that came out a couple of years ago where you had to pay your landlord and what I said to the lady in the one stop, I said I’ve got debt problems- I don’t want my rent money – it’s just too easy – I would rather you sent it straight to my landlord.”* Male, 35-44, Liverpool

By Wave 2, a similar proportion of UC claimants reported that they received housing costs directly as part of their UC (70%) but 27% reported that the housing component was now paid directly to their landlord (with fewer saying they did not know). This was particularly the case among people living in social-rented rather than private-rented housing (36% compared with 16%).

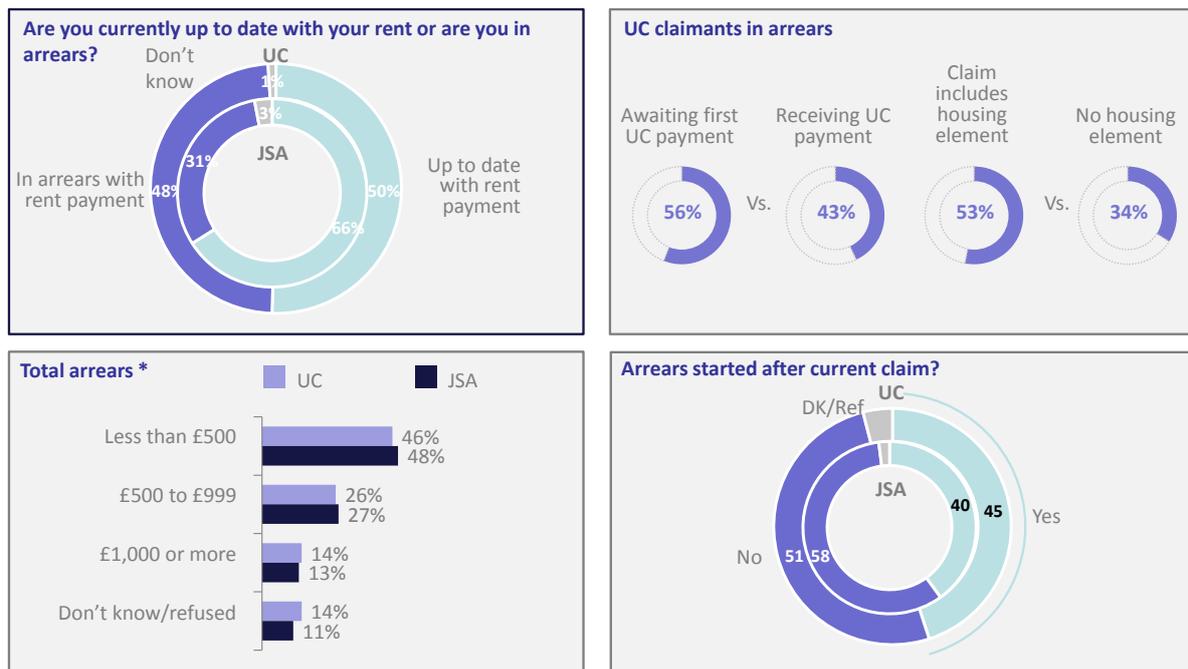
### Rent arrears

At Wave 1, which was conducted an average of 5.5 weeks after the claim was submitted, 48% of UC claimants living in rented accommodation and 31% of JSA

## Universal Credit Test and Learn Evaluation: Findings from research with Extended Gateway claimants

claimants living in rented accommodation reported they were in rent arrears<sup>11</sup>. Among UC claimants who rented, over half (56%) of those waiting for their first UC payment were in arrears compared to 43% of those who had been paid. This may suggest that these arrears are short term for claimants awaiting their first payment, though it is difficult to say for certain. Those behind with their rent and awaiting their first payment in Wave 1 were not significantly more likely than others in arrears to say that the arrears had started since their UC claim, nor to blame the arrears on a delay in receiving payments.

**Figure 3.13 – Rent arrears among UC and JSA claimants at Wave 1**



Base: All in rented or part rented accommodation at Wave 1 (UC 297/JSA 255); \*All currently in arrears at Wave 1 (UC 149 / JSA 80)

Source: Ipsos MORI

Among those behind with their rent at Wave 1, UC and JSA claimants reported similar levels of arrears (Figure 3.13). For claimants on both types of benefit, just below half of those in rent arrears owed less than £500, around one-quarter were in arrears of £500 to £999, while around one in eight were in arrears of over £1,000. Among UC claimants in arrears, those in social-rented accommodation were more likely to report a high level of arrears – 32% of those in arrears owed £500 or more, compared with 13% in private-rented accommodation.

It is important to note that claimants may already have arrears when they start a claim. The survey found that for both groups, around two in three (64% of UC claimants and 68% of JSA claimants in arrears) reported that this was the first time they had been in rent arrears in their current accommodation.

<sup>11</sup> This is self-reported and will include any amount of arrears, however small – claimants were simply asked “are you currently up to date with your rent, or are you in arrears?”.

Around two in five said that their rent arrears started after they made their current claim (45% for UC and 40% for JSA). Loss of income due to losing a job/ redundancy was the primary reason for getting behind with their rent, mentioned by around a quarter of those in arrears, in both groups (Figure 3.14), followed by a low income. Similar proportions of UC and JSA claimants cited how long it takes to obtain benefits as a reason for their arrears: this encompasses both the usual processing time, and any delays. Just over one in ten in both groups cited unpredictable income.

**Figure 3.14: Main reasons cited for falling into rent arrears (Wave 1)**



Base: All in rent arrears at Wave 1 (UC: 149 / JSA: 80).

Source: Ipsos MORI

At Wave 1, landlords had responded to arrears in a variety of ways (Figure 3.15. overleaf). Most had sent a letter to the claimant about it and this was especially common among those in social housing. Some UC and JSA claimants in arrears had been asked to repay arrears immediately, while a minority had been taken to court about it. Being asked to pay back the arrears gradually was more common, though.

**Figure 3.15: Ways landlords had responded to rent arrears at Wave 1**



Base: All in rent arrears at Wave 1 (UC: 149 / JSA: 80).

Source: Ipsos MORI

This is supported by the qualitative research, where some felt it was difficult waiting five weeks for payment, even where there was no delay beyond this, including one claimant who usually paid a weekly rent and whose landlord was not expecting a five week wait. There was a sense however, that these issues were transitional and would be resolved once regular payments were being made. This is borne out to an extent by the results in Table 3.5 (overleaf) which show that two-thirds of UC claimants living in rented accommodation were up to date with their rent payments by Wave 2 (64%), not significantly different to JSA claimants (71%). UC and JSA claimants who were behind with their rent continued to report similar levels of arrears; in Wave 2 the mean arrears for UC claimants was £715 while for JSA claimants it was £651.

Table 3.5 also shows that by Wave 2, significantly fewer UC claimants were in arrears compared with Wave 1, which further suggests that the higher level of arrears among UC claimants evidenced in Wave 1 was associated with the payment schedule of the early part of the claim, and was generally short-term.

**Table 3.5 – Rent arrears, Extended Gateway Evaluation (Wave 1 and Wave 2)**

	Wave 1		Wave 2	
	UC	JSA	UC	JSA
Base	(297)	(255)	(158)	(163)
Up to date with rent payment	50%	66%	64%	71%
In arrears with rent payment	48%	31%	33%	28%
Don't know	1%	3%	1%	3%
Refused	-	*	2%	-

Base: All participants who are in rent or part-rented accommodation (UC Wave 1: 297; UC Wave 2: 158; JSA Wave 1: 255; JSA Wave 2: 163)

Source: Ipsos MORI

The proportion of UC and JSA claimants who said that this was the first time they had been in arrears in their current accommodation was consistent with Wave 1. However, Table 3.6 shows that UC claimants still in arrears at Wave 2 were less likely to say that their arrears started *after* they made their current claim (35% of UC claimants in arrears said this at Wave 2 compared with 45% at Wave 1). The proportion of JSA claimants whose arrears started after they made their current claim was similar, and remained stable between the survey waves (36% in Wave 2 and 40% in Wave 1). Although we should exercise caution due to the small base sizes involved, these results suggest that some UC claimants who fell into arrears at the start of their claim were able to ‘catch up’ by the time of their Wave 2 interview, three months later.

**Table 3.6 – When current rent arrears began – Extended Gateway Evaluation (Wave 1 and Wave 2)**

Did your current rent arrears begin...?	Extended Gateway Evaluation (UC)		Extended Gateway Evaluation (JSA)	
	Wave 1	Wave 2	Wave 1	Wave 2
After made current claim	45%	35%	40%	36%
Before made current claim	51%	61%	58%	64%

Base: All claimants currently in arrears (UC Wave 1: 149; UC Wave 2: 55; JSA Wave 1: 80; JSA Wave 2: 46)

Source: Ipsos MORI

### 3.3.5 Budgeting advice and support

Two of the big process changes being introduced via UC are that it is usually paid monthly and housing costs are paid direct to the claimant. In recognition of this change, Personal Budgeting Support (PBS) is available for UC claimants who need support with budgeting and money management: this may or may not be alongside the use of additional funds that they might have obtained as described in Section 3.3.3.

Similar proportions of UC and JSA claimants had sought other help or advice on managing money since starting their claim, and this was consistent across both waves of the survey, at around one in ten UC claimants (eight per cent in Wave 1 and nine per cent in Wave 2) and JSA claimants (six per cent in Wave 1 and eight per cent in Wave 2).

Like the Pathfinder study, family or friends was the most common source of help or advice among both claimant groups, and in both waves (approached by 36% of UC and 40% of JSA claimants who had sought advice at Wave 2). UC claimants were more likely than JSA claimants to have sought advice on managing money from Jobcentre Plus or DWP (25% at Wave 1 reducing to 16% at Wave 2). The difference between the waves is related at least in part to the five-week waiting period for the first UC payment, and the use of advance payments.

By Wave 2, one in twenty UC claimants (five per cent) had discussed money management issues such as debt, paying bills or budgeting directly with Jobcentre Plus staff. Around half of these reported that they had subsequently been referred to the Money Advice Service (MAS) for further support, followed by the Citizens' Advice Bureau, which is in line with the stated policy for Personal Budgeting Support.

The qualitative research identified some claimants who had been signposted to the Citizens Advice Bureau, MAS, their bank or the local one-stop shop. However, recall and take-up were limited, and generally claimants said they felt they did not need support or were not interested, despite the fact that claimants' descriptions of their own financial capabilities were generally limited beyond simply paying the bills out when the money came in or setting money aside for bills.

*"They offered to sit down and look at my finances and what I need to pay, what I could do without paying. They offered to do that here, but that's something I can easily do myself to be fair, just sit down and work out what's going out, what's coming in."* Male, 18-24, Manchester

*"I was like they [MAS] can't give me any advice, my rent is £510 and I'm getting £530 all-in for water, gas, electricity and rent. What advice are they going to give me?"*  
Male, 25-34, Liverpool

In the qualitative research, the one claimant who had taken up the offer of budgeting support appeared to be struggling more than others financially, indicating that they had utilities debts of over £1,000. This claimant said they had raised money problems with the Work Coach who had signposted them to a budgeting course at the local one-stop shop. Subsequently, the provider had written to his water company and

helped them to set up a standing order to pay off the debt. The claimant was very pleased with the help:

*“I had to go to that one-stop shop and do a budgeting course – I took everything with me, bills and bank statements. It was really good because they helped me with my water bill.”* Male, 45+, Wirral & Wallasey

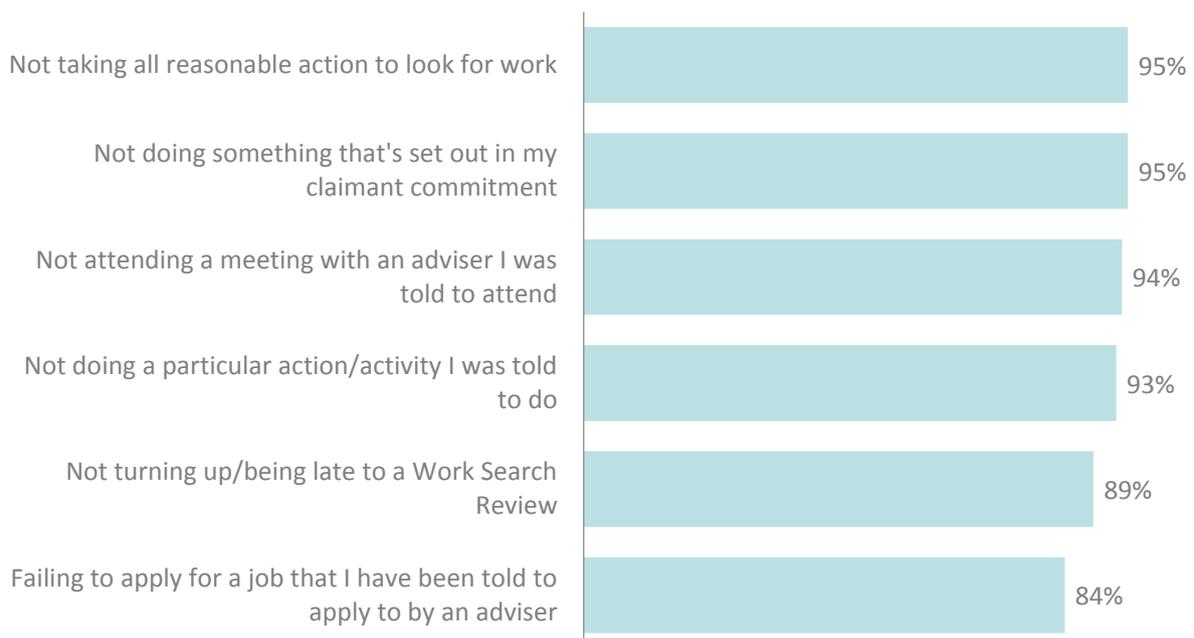
## 3.4 Understanding of Universal Credit

Claimants were asked about their understanding of UC, including conditionality, and UC financial incentives.

### 3.4.1 Understanding of conditionality

Receiving UC requires claimants to adhere to certain conditions set out in their Claimant Commitment, otherwise their benefit may be reduced or stopped. The majority were well aware of these conditions (Figure 3.16), in line with the findings of the earlier Pathfinder Evaluation.

**Figure 3.16: Conditions that claimants identified would lead to their UC being reduced or stopped**



Base: All Wave 1 claimants (900)

Source: Ipsos MORI

People living in social-rented housing were less likely than those in private-rented housing to think UC would be stopped or reduced if they did not take reasonable action to look for work (93% vs. 98%). They were also less likely to think UC would

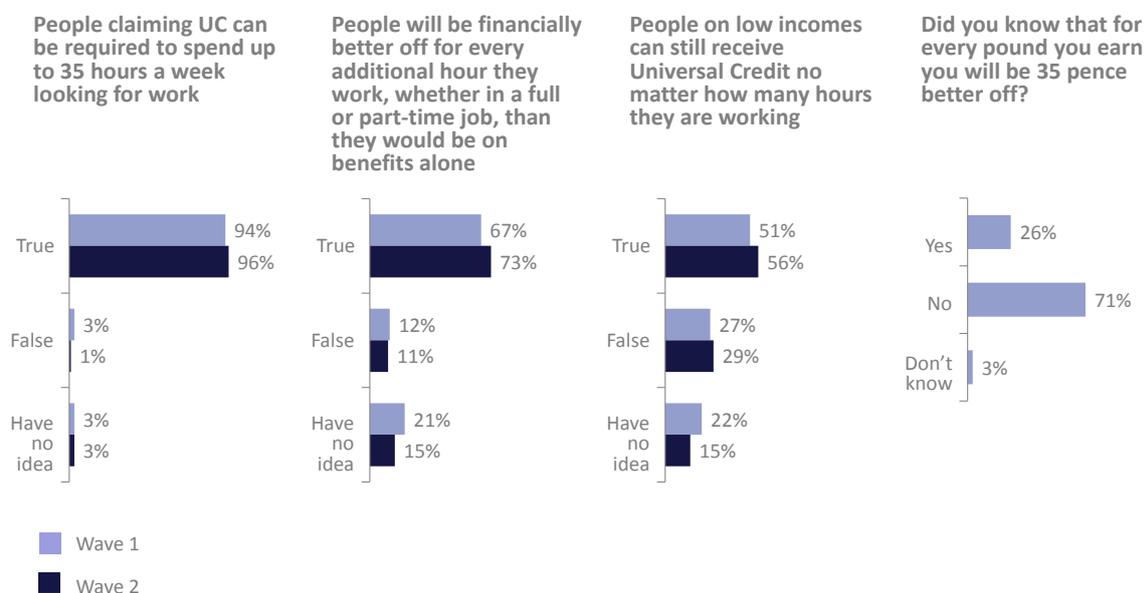
be stopped or reduced if they did not apply for a job when their adviser instructed them to (76% vs. 84% overall).

The vast majority of UC claimants surveyed were well aware that people claiming UC can be required to spend up to 35 hours a week looking for work, increasing from 94% at Wave 1 to 96% at Wave 2 (Figure 3.17).

### 3.4.2 Understanding of financial incentives

Although the vast majority of claimants were clear on the job search requirements of claiming UC and knew they could be required to fulfil up to 35 hours' job search, fewer were as clear about its financial advantages in terms of being better off in work (Figure 3.17).

**Figure 3.17: Claimants' understanding of UC**



Base: All Wave 1 UC claimants (900); All Wave 2 UC claimants (461)

Source: Ipsos MORI

At Wave 2, almost three-quarters (73%) of UC claimants knew that people would be financially better off for every additional hour they work, whether in a full-time or part-time job, than they would be on benefits alone: up from two-thirds (67%) in Wave 1. Claimants who were already in paid work were more likely to know this than those who were not in paid work (80% vs. 69% respectively).

Just over half (56%) of UC claimants in Wave 2 knew that people on low incomes could still receive UC no matter how many hours they worked, another increase since Wave 1 (51%), and in line with the Pathfinder surveys. Under-25s were more likely than people aged 35 or over to know this (61% vs. 48%). Those aged 35 or over (25%), people in minority ethnic groups (31%), or living in social housing (24%) were particularly likely to have “no idea” whether this was true or not.

A key aspect of UC is the work allowance and single taper which is designed to ease the transition into work and ensure people are always better off in paid work than they would be on benefits alone. It works as follows: *‘As people move into work or start working more hours, part of their UC is withdrawn. The withdrawal starts as soon as people earn more than a specific threshold, called the work allowance. Their UC is then withdrawn at a constant rate of 65% of their net earned income which exceeds their work allowance.’*<sup>12</sup>

The qualitative research explored understanding of financial incentives in greater depth and found limited awareness, with claimants indicating, for example, that they could work up to 16 hours after which point their UC would stop, or that they thought there was an income or hours ceiling but were unsure what it was. There were only limited examples of where claimants were able to talk about (or refer to) either the work allowance or the tapering rate of 65 pence per pound.

*“The more I earn, the Universal Credit will just drop gradually, that’s the way they do it.”* Male, 25-34, Liverpool

*“Depending on how many hours you do, you can earn up to a certain amount, before they stop it, and sometimes they’ll reduce it if you’re just doing temporary work, they won’t completely get rid of you because of the time it takes to set it back up again.”*  
Female, 25-34, Manchester

*“My understanding is if I earn £50 in a day, they take £50 quid off my Universal Credit.”* Male, 25-34, Liverpool

Claimants supported the principle of tapering (i.e. that those in work should have their state support reduced) and were broadly positive about not having to ‘come off’ UC and undertake a reclaim when a temporary contract ceased or if their job was otherwise terminated. However, there was limited evidence that people viewed the tapering as encouraging them or supporting them into work – primarily because awareness was so low.

Relatively few claimants agreed that benefits can provide more money than working – 16% of UC and 11% of JSA claimants in Wave 1, with no significant changes at Wave 2 (14% and 12% respectively).

### **3.4.3 Understanding of other responsibilities / entitlements**

UC claimants were clear about which changes of circumstances they need to report during their claim, how to report these, and which appointments they needed to attend (Table 3.7). The majority were also clear about when and how much they would be paid. One-third (35%) of UC claimants surveyed in Wave 1 had not yet received their first payment, and understanding of benefit entitlement and when

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<sup>12</sup> Note that whilst the tapering rate of 65% is constant across all claimants, the work allowance is dependent upon personal circumstances (e.g. having dependent children). At the time of this research the work allowance for single claimants without children or limited capability for work or work related activity, was £111 per month. Source: DWP.

benefit would be paid has therefore improved over time as more people have received payments.

**Table 3.7 – Claimants who are clear about different aspects of UC**

	Wave 1	Wave 2
Which change in circumstances to report	88%	92%
How to report a change of circumstances	90%	94%
Which appointments you needed to attend	96%	94%
When your benefit would be paid	78%	84%
How much benefit you were entitled to	76%	81%

Base: All Wave 1 (900) and Wave 2 (461)

Source: Ipsos MORI

Compared to those with complex claims, people with simple claims felt clearer about which change in circumstances they needed to report (94% vs. 86%) and how much benefit they were entitled to (84% vs. 70%).

There were similar results in the Pathfinder survey except that more claimants then were clear on how much benefit they were entitled to (84% at Wave 1 and 90% at Wave 2). Although this difference is in part driven by the inclusion of people with complex claims in the current survey (who were less clear on how much benefit they would receive) there is still a significant difference between people with simple claims across the Pathfinders and the current research.

## 3.5 Attitudes to work and job search

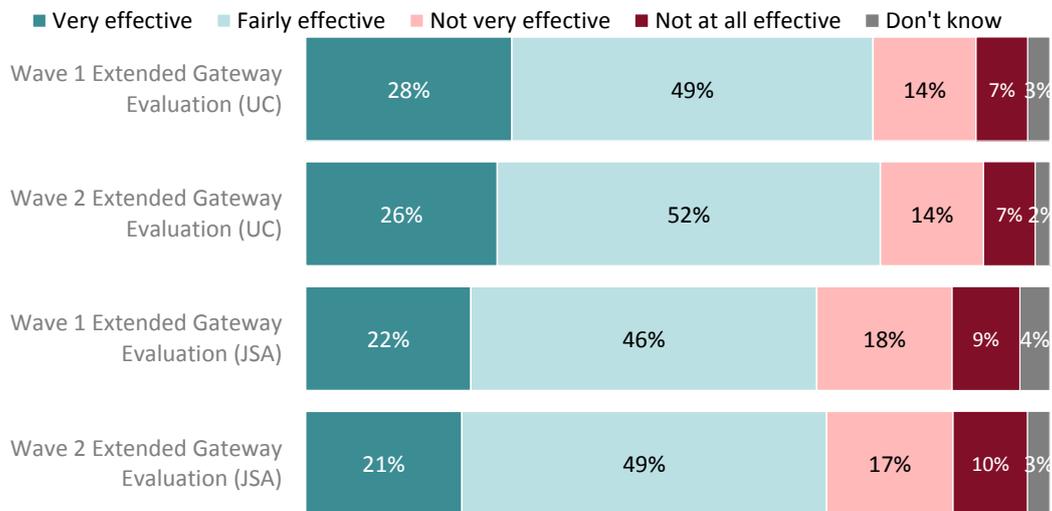
### 3.5.1 Responses to conditionality

The vast majority of both UC and JSA claimants believed that the benefits system is at least fairly effective at encouraging people to work. UC claimants were more likely than JSA claimants to think so, at each wave of the survey (Figure 3.18). The proportion who thought the benefit system was effective remained consistent for both types of claimant, in each survey wave.

Most claimants (76%) felt that the potential for UC to be stopped or reduced if certain requirements were not met encouraged them to meet these conditions. Only one in five (21%) considered this made no difference, with claimants with complex claims (29%), in social-rented housing (27%) or aged 35 or over (25%) more likely to think so.

Similarly, seven in ten (72%) claimants agreed that the potential for sanctions meant they were more likely to look for work or take steps to prepare for work, while for a quarter (25%) this made no difference.

**Figure 3.18 – Perceived effectiveness of the benefit system at encouraging people to work (Waves 1 and 2)**



Base: All Wave 1 claimants (UC: 900; JSA:901); All Wave 2 claimants (UC: 461; JSA: 499)

Source: Ipsos MORI

The qualitative research confirmed that concerns about adhering to the conditionality requirements varied according to the personal circumstances of the claimant – particularly whether or not they were working in some capacity, or were being supported by their parents (as in the case of some younger claimants). Certainly, there was a sense that, where alternative financial revenues were available, it impacted on how far they engaged with UC and how concerned they were about keeping to the conditionality requirements.

### 3.5.2 Attitudes to work

#### Job expectations

UC and JSA claimants had similar attitudes to work. Both groups were mainly looking for full-time work: four in five UC claimants (81%) and, at Wave 1, around nine in ten of both groups were prepared to take a short-term or temporary job (89% of UC claimants and 88% of JSA claimants not in work). Under-25s and those living with friends or relatives were more willing to take a short-term or temporary job than those aged 35 or older, or living in rented accommodation.

UC claimants appeared to be more flexible regarding the type of work they would consider. Two-thirds (68%) would consider doing any job rather than a particular type, higher than among JSA claimants (59%). People with degree level qualifications were more fixed on a particular type of job – 40% of UC and 63% of JSA claimants with a degree or equivalent.

Among UC claimants who were still receiving benefit at Wave 2 (including those working in part-time or low-paid jobs as well as those not in paid work), the proportion who would consider doing any job *decreased* to 63% and was more in line with JSA (which remained 59%). At Wave 2, the proportion of graduates who were only

looking for a particular type of job *increased* to 52% of those claiming UC and 70% of those claiming JSA.

### **Wage expectations**

At both waves of the survey, UC and JSA claimants who were not in work held similar wage expectations regarding the lowest weekly take home pay they would consider for accepting a job. Both groups were most likely to consider £200 to £299 per week as the lowest weekly take home pay they would accept (34% each at Wave 1) and similar proportions (24% of UC and 22% of JSA claimants) said they would accept a minimum wage job. In both groups, under-25s would accept lower pay (reflecting different minimum wage rates and expectations among that group) as would those living with friends or relatives (who generally have fewer costs). At Wave 2, the pattern was very similar across both claimant groups.

At both waves, the average (mean) desired weekly wage overall was around £30 per week lower among UC than among JSA claimants, but there may be numerous reasons for this other than the difference in benefit type (for example, perceptions about the typical 'going rate' for jobs available in their local area).

UC and JSA claimants alike agreed that getting and keeping a job was their number one priority (96% for both groups in Wave 1 and 94% for both in Wave 2).

Furthermore, similar high proportions agreed that having almost any job was better than being unemployed (85% of UC and 84% of JSA claimants in Wave 1, and similar proportions in Wave 2). These results are in line with the Pathfinder survey.

Among UC not in paid work and unemployed JSA claimants, optimism about finding a job in the next three months has waned since Wave 1, and more heavily among UC claimants (Table 3.8). Those with complex claims were less likely to be confident than those with simple ones. UC claimants spent much more time on job search than people claiming JSA (see Section 3.5.3) which may explain why those who remained not in paid work at Wave 2 had lost more confidence about finding work.

A significant minority of claimants believed there was a lack of jobs available in their local area, with UC claimants more likely to be pessimistic – 34% believed there were no local jobs in both waves, compared with 29% of JSA claimants in Wave 1 and 31% in Wave 2. This difference was statistically significant at Wave 1, but not at Wave 2, and may be due to the fact that they spent more time on job search than JSA claimants.

**Table 3.8 – Attitudes to work and job search**

How far do you agree or disagree with the following statements...?	Extended Gateway Evaluation (UC)		Extended Gateway Evaluation (JSA)	
	Wave 1	Wave 2	Wave 1	Wave 2
<i>Getting and keeping a job is my number one priority</i>				
Agree	96%	94%	96%	94%
Disagree	2%	5%	2%	4%
<i>Having almost any job is better than being unemployed</i>				
Agree	85%	84%	84%	82%
Disagree	11%	13%	11%	15%
<i>There are no jobs available in my local area</i>				
Agree	34%	34%	29%	31%
Disagree	57%	60%	61%	57%
<i>I am confident I can get a job within three months</i>				
Agree	76%	59%	79%	69%
Disagree	14%	28%	14%	19%
<i>Benefits can provide more money than working</i>				
Agree	16%	14%	11%	12%
Disagree	77%	80%	82%	82%

Base: All claimants (UC Wave 1: 900; UC Wave 2: 461; JSA Wave 1: 900; JSA Wave 2: 499)

Source: Ipsos MORI

On balance, UC claimants felt that being on UC made them more rather than less confident to apply for a job they would not have previously considered. One in three (33%) felt more confident to do so while just five per cent felt less confident. For the majority (62%), it made no difference.

UC was particularly likely to have a positive impact on the confidence of under-25s (38%) compared with older claimants aged 35 or over (30%). We might expect that

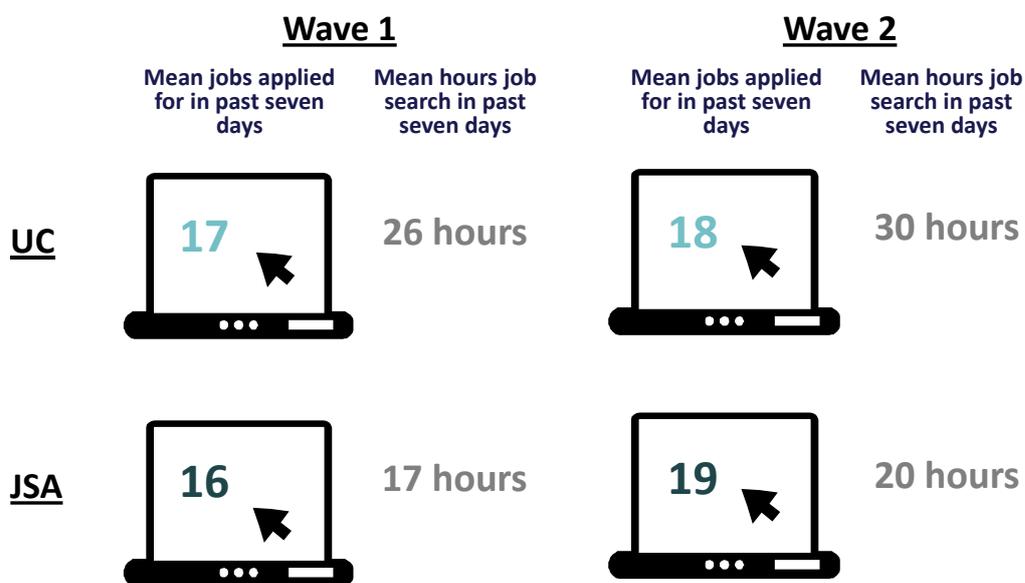
people with simple claims would be more confident than those with complex claims, but the difference was not statistically significant (35% compared with 25%).

### 3.5.3 Job search

Encouraging claimants to look more intensively for work is an important element of UC. In Wave 2, UC recipients who are not working in paid employment had spent an average of 30 hours on job search in the previous week and had applied for an average of 18 jobs during that time. Around one-third (31%) spent between 31 and 35 hours on job search and one-quarter (23%) spent more than 35 hours. People with complex claims including a housing element averaged more time looking for work than those with simple claims.

JSA claimants (who by definition are unemployed) spent far less time on job search (averaging 20 hours in the previous week) although they made a similar number of job applications, with an average of 19. By comparison, just four per cent of them had spent between 31 and 35 hours on job search while nine per cent spent more than 35 hours.

**Figure 3.19 – Job search activity among claimants not working in paid employment (Wave 1 and Wave 2)**



Base: All claimants not working in paid employment receiving UC/ JSA (UC Wave 1: 657; UC Wave 2: 239; JSA Wave 1: 724; JSA Wave 2: 306)

Source: Ipsos MORI

Under the terms of their Claimant Commitment, UC claimants in part-time work can still be required to increase their working hours through additional job search. Those receiving UC who were *in work* at Wave 2 spent an average of 24 hours on job search in the previous week. Around half (48%) reported they spent less than 16 hours, including 28% who spent five hours or less. Just over one-third (37%) spent between 16 and 35 hours, with nine per cent spending more than 35 hours even though they already had a job.

Among UC claimants not working in paid employment, the average time spent on job search in the previous week increased from 26 hours in Wave 1. The average number of job applications increased slightly among both groups in Wave 2, but this was not statistically significant.

Among UC recipients who did one hour or more job search in the previous week, most (79%) had looked for jobs online as part of their activity. The next most common method was sending out CVs (36%), followed by looking for jobs in person in shops/venues etc, and looking for jobs in the newspaper (22% each).

At Wave 2, UC claimants were asked whether the Jobcentre had ever instructed them to apply for part-time work of below 30 hours per week. Just under half (45%) had been told to apply for part-time work and of these, the vast majority (83%) had done so.

People who had been not working in paid employment at both waves were more likely than those who had subsequently found work to report they had complied with this (92%) while those who had Level 1 or no qualifications were more likely to disregard it (27% said they did not apply for part time work after being instructed to do so by the Jobcentre, compared to around 10% of those with higher qualifications).

Also at Wave 2, a similar proportion (43%) reported they had been instructed to apply for short-term contract work. Of these, most had done so (78%) in particular those who were not working in paid employment at both waves (86%).

## 3.6 Moving into work

### 3.6.1 Working status

This section provides a descriptive overview of working status at Wave 1 and Wave 2 and is not a measure of impact. Similar proportions of UC and JSA claimants were in work at Wave 2 (41% and 40% respectively). In addition, similar proportions of UC and JSA claimants had started a job and then stopped it between the two waves (16%). At Wave 1, more UC claimants were in paid work than JSA claimants (25% compared with 20%).

At Wave 2, around two in three UC claimants (67%) felt that attending review meetings at the Jobcentre had helped or was helping them to find work (including 45% who agreed *strongly* with this). A quarter (27%) felt these had not helped. The main reasons for this was that people felt they were already doing everything they could to find a job (so they felt the review meetings did not add anything extra to this process), followed by not being found a job directly by the Jobcentre, and finding the meetings to be more about evidencing their job search than about offering them support.

### 3.6.2 Experience of working

At Wave 2, almost half (48%) of UC claimants in paid work or self-employment were working more than 35 hours per week, compared with 58% of JSA claimants in work (Table 3.9). Relatively few were working 16 hours or fewer (16% of UC claimants and 13% of JSA claimants in work).

For both groups the average number of hours worked increased between Wave 1 and Wave 2. The average for UC claimants increased from 25 to 32 hours while for JSA claimants the increase was from 29 to 33. These figures are comparable with the Pathfinder Evaluation.

**Table 3.9 – Number of hours worked, Extended Gateway Evaluation (Wave 1 and Wave 2)**

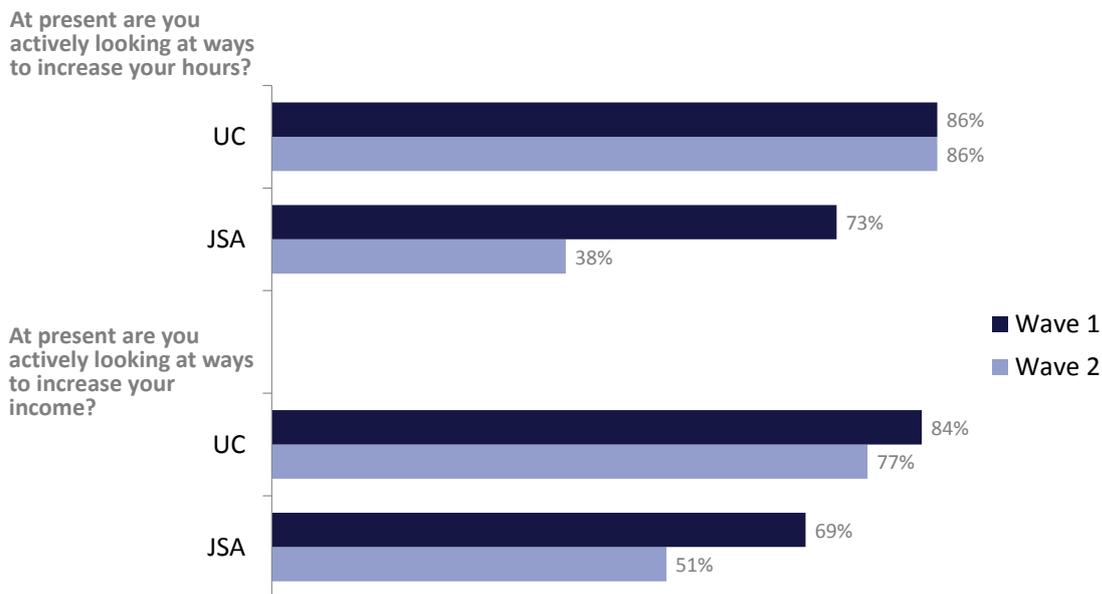
In total, how many hours a week do you normally spend in paid work or self-employment? If you have more than one job, please include the combined total of all your jobs.		Wave 1 Extended Gateway Evaluation (UC)	Wave 2 Extended Gateway Evaluation (UC)	Wave 1 Extended Gateway Evaluation (JSA)	Wave 2 Extended Gateway Evaluation (JSA)
Base		(223)	(184)	(176)	(193)
	Less than 16 hours	29%	16%	16%	13%
	16-35 hours	36%	37%	41%	32%
	36 hours or more	32%	48%	41%	55%
	Mean	25	32	29	33

Base: All Wave claimants in paid work or self-employed (UC Wave 1: 223; UC Wave 2: 184; JSA Wave 1: 176; JSA Wave 2: 193)

Source: Ipsos MORI

At Wave 2, the vast majority of UC claimants working less than 30 hours per week were actively looking for ways to increase their hours (86%) and their income (77%). JSA claimants in part-time work were much less likely to be actively trying to increase either of these at Wave 2 (38% were looking to increase their hours, and 51% their income).

**Figure 3.20 – Claimants who are actively looking at ways to increase the hours they are working and income, Wave 1 and Wave 2**



Base: All claimants working less than 30 hours (UC Wave 1: 129; UC Wave 2: 63; JSA Wave 1: 84; JSA Wave 2: 193)

Source: Ipsos MORI

Similar proportions of UC and JSA claimants in work were employed on a permanent contract (48% of UC and 46% of JSA claimants). UC claimants appeared less likely to be working on a casual basis than JSA (25% compared with 36%).

The qualitative research found that much of the work tended to be of a low-skilled/temporary nature (in line with their previous work histories), but this was not always the case. There were a number in full-time permanent positions (including two graduates in full-time work placements in their chosen field). The work had often been found through a range of means including agencies, internet searches and word of mouth, though some noted that the Work Coach had directed them to the vacancies and had appreciated this.

Among those who had transitioned into work, there was often a sense of confusion about what this meant for their UC commitments and relationships with the Jobcentre. For some, being asked to continue their job search in the run up to starting a full time job, or being asked to ‘top up’ their part time work with job search (including where they no longer needed financial support) caused frustration.

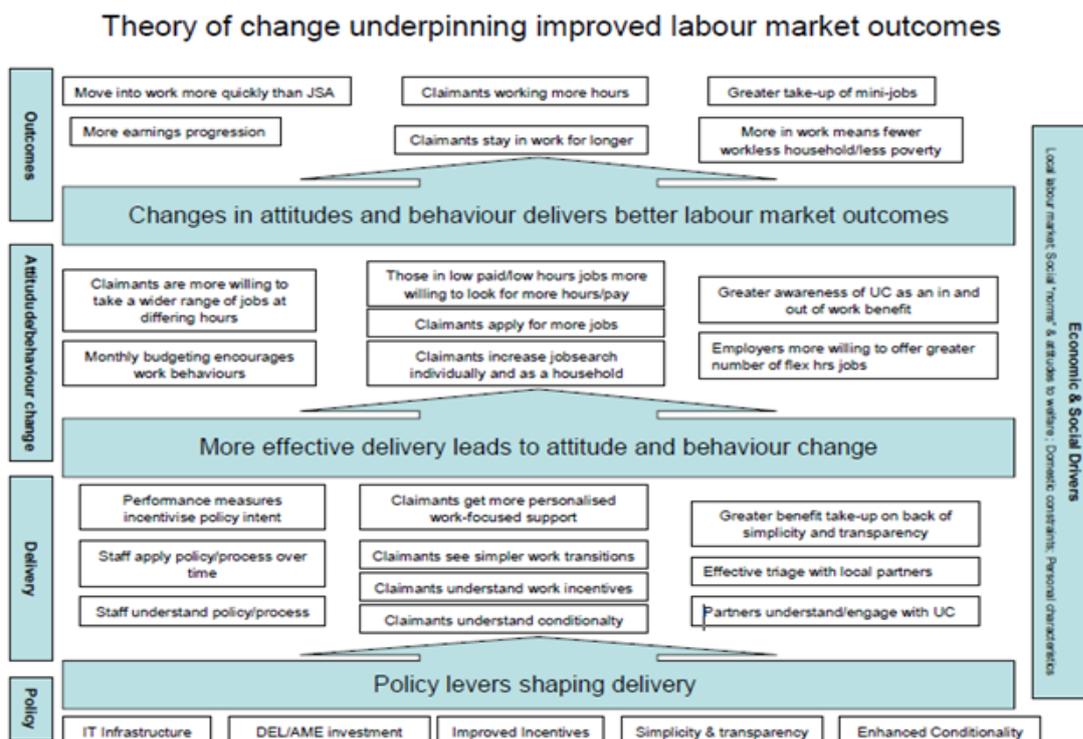
Overwhelming proportions of both UC and JSA claimants in work agreed that they are better off now than when they were on benefits (93% of UC claimants and 94% of JSA ones). Among those claiming UC, people with complex claims were less likely to say they were *much* better off financially (51% compared with 70% of those with simple claims), and the same pattern was found among JSA claimants.

## 4 Key implications from this research

### 4.1 Introduction

This section provides key considerations based on our findings across Wave 1 and 2 of the research with single claimants. This research has been informed by the theory of change (ToC) for UC (Figure 4.1) and our understanding of the broad policy aims (especially in relation to encouraging responsibility around money and job search, and supporting the transition into work), as well as gathering evidence around how the UC process is working to support its continual development and roll out. We would caution, however, that these considerations are based on the claimant perspective.

**Figure 4.1: Theory of change underpinning Universal Credit**



Source: DWP

### 4.2 Key findings

#### Aspects of UC that are working well

##### *Claims process and payment*

Broadly, the **UC claims process** appears to work well for most people. Claimants reported it to be simple and straightforward, for the most part completing the claim form online and without support (as envisaged by DWP).

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Beyond the processing time for the first payment, difficulties involved in the progression from the claim form to first payment were mostly experienced among people with complex claims in relation to their housing element, where there was some initial confusion about whether housing costs were included in the claim, as might be expected given the significance of the change to how this support is administered. By Wave 2, most issues around payment had been resolved, and the **UC payment mechanisms broadly seemed to be working well** in that claimants were receiving their monthly payment with no issue.

### *Jobcentre support*

Early meetings seemed to have focused on establishing the Claimant Commitment (CC) and clarifying expectations of the claimant. However, at Wave 2 there was some evidence that the Jobcentre role had **moved from setting/ clarifying expectations towards more of a support/ advisory role**, and there was evidence that some people were being encouraged to broaden their job search to different locations or industries, which claimants responded to quite positively.

### *Conditionality*

Awareness of the CC was very strong – claimants **recognised and understood the conditionality** aspects of UC, and knew what was required of them in terms of their job search hours. Further, the qualitative research found strong support for the *principle* that claimants should have conditions attached to their benefits.

### *Attitudinal/ behavioural change*

There was some evidence emerging at Wave 2 that claimants were experiencing the CC as **motivating** and that they liked the structure it provided and were **encouraged to do more work search** as a result. It is important to note this positive evidence in relation to work search behaviour and also to observe that a significant minority of people reported that UC had made them **more confident to apply for jobs they would not have previously considered**.

Like the Pathfinder study, this research has found that UC claimants not working in paid employment **spent more hours on job search activity** than those claiming JSA.

Among those that were in work, the research also found that UC claimants working less than 30 hours per week were continuing to look for work and were far more likely than JSA claimants who had found part-time work to say they were still **looking to increase their income or their working hours**.

## **Areas for further consideration**

The research has highlighted a number of aspects of UC that might be considered for changes or improvements in order to enhance the claimant experience, deliver the required transformation and/or to achieve the desired outcomes (as stipulated in the Theory of Change):

### *Claims process and payment*

Whilst, as noted above, the claims process is experienced as straightforward for the majority, it emerged strongly that **the five week wait for the first payment was particularly difficult for those with housing costs**, and this is reflected in the relatively high take up of the UC advance at Wave 1, compared with other forms of financial support.

Beyond the five week wait, some experienced problems or difficulties in understanding what information was required in the claim form to ensure the first payment included the correct elements. These were mostly experienced among people with complex claims, in relation to their housing element, where there was some initial confusion about whether they should claim for housing costs. Subsequently some claims were delayed or the housing element was initially not included. Whilst this might be expected given the significance of the change to how this support is administered, the guidance on, and wording of, the claims form in relation to the housing element might be further considered.

Whilst claimants reported no significant problems in terms of budgeting with the monthly payment, a minority were struggling financially, and the qualitative research found some evidence of defensiveness around the offer of budgeting support - claimants observed that their problem was being out of work i.e. a lack of money, as opposed to having issues with managing it.

### *Jobcentre support*

Among UC claimants who were less positive, some of the key messages emerging were around a **lack of personalisation** and limited adviser input, which some attributed to staff being busy or pressured rather than a lack of will.

The data suggests that the mixed feedback may relate to the fact that UC is having to cater for such a broad range of people in terms of their backgrounds, work histories and personal circumstances, which result in **very different support needs and expectations** (of jobcentre support) which staff must contend with. For example, some older people may be used to being in and out of work and may have (from their perspective) low or no support needs, and among some in this group there are those that may be somewhat more cynical about the jobcentre i.e. they have low expectations. Graduates, on the other hand, may have benefitted from careers guidance at university and feel that they already have good strategies for work search, though perhaps they have higher expectations around what the jobcentre can provide. In terms of whether support is sufficiently personalised and targeted at those who would most benefit from greater input, it is difficult to comment, beyond that there are examples of people who would prefer more input and are receiving it, and those that are not (and, conversely, those that want less involvement).

### *Conditionality*

Whilst awareness of the CC was very strong, concerns around **achievability of the job search hours** emerged at each wave; some did not feel they could achieve their hours on a cumulative basis week on week, especially where they were restricted to the local jobs market and low skilled/ paid work, and some felt the CC lacked flexibility to accommodate their particular circumstances.

### *Attitudinal/ behavioural change*

Whilst the research found that UC claimants **spent more hours on job search activity** than those claiming JSA, it must be noted that they did not apply for significantly more jobs and a greater proportion lost confidence over time that they would find a job within the next three months. This may be an **unintended consequence** of the intensity of the job search required under UC: JSA claimants who were still unemployed after three months experienced a less stark drop in confidence.

### *Other issues*

What has emerged very clearly at each wave is evidence of a **lack of clarity among claimants on various aspects of UC**, and this ranges from the basics of what the policy is/ who is involved, to the detail of how certain aspects of it work.

To elaborate on the former – as noted previously, we found among some claimants a tendency to refer to the PASA and Service Centre as ‘Universal Credit’ and the Work Coach or assistant as the ‘Jobcentre’, and there was also fairly limited awareness of the fact that UC is a new benefit that replaces several benefits, often referring to UC as ‘the new Jobseekers’/ ‘the new JSA’. It is possible that Jobcentre staff may be deferring to the Service Centre for money issues as a matter of course, given the clearly defined role of the Service Centre on money/ payment, but this may be leading to presentation of a disjointed service, or misinterpretation about who is who.

On the latter – the research identified confusion around the tapering/ work incentive aspect of UC, the specific Claimant Commitment ‘rules’ around evidence (which activities can and cannot be included, for example), and the policy on UC advances.

These things perhaps have more significance in terms of their potential to undermine policy aims around moving people into work – because claimants may not be receiving all the positive messages about UC in terms of making work pay, or easing the transition into work compared with JSA, or information on the mechanism by which this works. This means that **claimants do not necessarily understand in advance the scope for UC to provide a work incentive or to ease the transition into employment**, until they experience it. The confusion also has some potential to undermine the development of positive relations with Jobcentre staff in that it can lead to a degree of frustration or a lack of confidence. In summary, from the claimant perspective, there continues to be **more emphasis on the ‘rules’ around UC, than on some of the more positive messages about its role as a work incentive, which could be given greater prominence.**

# Appendix

# Details of the job roles and Service Centre that make up the Universal Credit claimant process

## **Personal and Account Support Agent (PASA):**

'This role will act as the first point of contact for claimants who have Universal Credit queries. They will offer support to claimants who cannot or will not use the online service or telephone. This support will include enquiry handling, appointment booking, conducting the data gather for new claims and change of circumstances for claimants who require a non-standard service. They will also see claimants before their first work-search interview with the Work Coach to authenticate identity'.

## **Work Coach:**

'The Work Coach role will conduct work-focused interviews with Universal Credit claimants to support them and their families to become financially independent. It will involve agreeing a tailored Claimant Commitment (CC) and motivating/challenging the claimant to achieve their best through work. By promoting the use of Universal Jobmatch (UJ) and offering flexible advice and support, they will help claimants improve their chances of finding work and develop the skills they need.'

The claimant typically sees the Work Coach fortnightly or weekly, although they have the flexibility to request to see claimants more or less than this dependent on perceived need.

The conditions of claiming UC are set out in a Claimant Commitment (CC) and need to be accepted by the claimant for the claim to continue. The Coach will also advise of any support available and explain what will happen if responsibilities are not met.

The CC is a mutual agreement between the claimant and government setting out what claimants will do to find work in return for receipt of Universal Credit. The claimant and Work Coach decide what goes into the CC, for example:

- What the claimant needs to do to look for work (e.g. registering with recruitment agencies, writing a CV).
- How many hours they need to spend looking for work each week, which can be up to 35 hours.
- Their circumstances (e.g. work history, health, family or caring responsibilities).

The CC is updated if the claimant's circumstances change. UC claimants report changes of circumstance to the Universal Credit helpline, which is operated by UC Service Centres. The CC has been extended to JSA claimants in order to support and reinforce the transition to UC.

**Assistant Work Coach:**

'The Assistant Work Coach will be responsible for supporting claimants by undertaking fortnightly work-search reviews with the claimant; reviewing if the claimant is available and actively seeking employment and following through the actions the claimant has agreed with the Work Coach. They will keep claimant records up to date and will book appointments/issue alerts.'

**Service Centre:**

Universal Credit Service Centres handles all telephone calls from customers and maintain claims. The aim of the Service Centres is to get more claimants into work and earning more, ensure claimants are clear what they need to do, how UC supports their journey into work and how work affects their UC payments. UC Service Centres work with Jobcentres to ensure claimants are better prepared for work; that work search/ reporting by claimants is on-time and accurate so that staff don't spend time chasing information and that claimants are prepared for staff contact.'