



Crisis response to the Work and Pensions Select Committee inquiry into DWP's contracted welfare-to-work provision

August 2015

Introduction

1. Crisis, the national charity for single homeless people, is pleased to respond to this inquiry into the Department for Work and Pensions (DWP)'s welfare-to-work provision.
2. Crisis has a wealth of experience supporting homeless people into work. Within our Crisis Skylight centres, we have a dedicated employment team that helps people prepare for, find and sustain work. We are for the most part independently funded, allowing us to innovate and determine what works, rather than delivering within a Payment by Results model.
3. We have had long-standing concerns about the Work Programme's performance in supporting homeless people into work and believe much can be learnt from our own model when designing future programmes.

Summary

4. In this submission we recommend the following:
 - Personally tailored support should be a fundamental aspect of future employment support programmes
 - Homelessness should be included in the assessment process
 - Future programmes should address housing needs
 - Financial models should include greater upfront payments for those furthest from the labour market and recognise 'distance travelled'
 - Conditionality should be better tailored to individual circumstances
 - Government should conduct a thorough review of sanctions, including looking at their effectiveness in moving people closer to the labour market
 - The support provided to homeless participants should be included in the outcomes framework
 - Minimum service standards should be introduced making clear that individual needs should be addressed where they have been identified
 - Data sharing should be improved so that the Claimant Commitment can be shared directly between Jobcentre Plus and employment support providers
 - Supply chains should reflect the needs of participants as well as issues relating to the local area (such as gangs or rural barriers)
 - Participants should be segmented according to their distance from the labour market and not by benefit type
 - The Adult Skills budget should be incorporated into the funding model
 - A specialist programme for those with complex needs should be introduced that accesses other departmental funding

Homelessness and employment

5. Crisis is passionate about helping people who have been homeless into work. For those who can work, employment is a long term route out of homelessness, improving self-esteem and confidence and reconnecting them with society.
6. The vast majority of homeless people want to work but few are in work. During 2012 and 2013 just 2 per cent of Crisis' clients were in full-time work and 5 per cent were in part-time work.¹ Many lack the necessary skills to enter the job market. Recent research found that 51 per cent of homeless people lack the basic English skills needed for everyday life and 55 per cent lack basic maths skills.²

The Skylight model

7. Crisis Skylight, our accredited education, training and employment centres, offer practical and creative workshops in a supportive and inspiring environment together with formal learning opportunities that lead to qualifications and finding work. We work with those who are currently homeless, those at risk of homelessness and those with past experience of homelessness. Clients engage voluntarily and take classes to build their confidence and develop their skills before being referred to our employment services team once they are ready to take steps towards work.
8. In 2014 we worked with 8,078 homeless and vulnerably housed people across eight centres, supporting a total of 646 into employment. Of these, 478 had engaged with our employment services, giving our employment offer a success rate of 25 per cent.³ In addition, 455 clients volunteered and 1337 gained at least one qualification, module or certificate.
9. Clients have access to a range of classes within the Skylights. These include literacy and numeracy, IT skills and English as a second language (ESOL), as well as a wide range of creative and performing arts classes which focus on building self-confidence and social skills. In addition the Skylights offer a range of employability courses including CV writing workshops, mock interviews and motivational training, as well as certified courses such as Health & Safety and First Aid.
10. The employment service is delivered through a coaching model, with each client allocated their own trained coach to provide tailored support to overcome the individual's barriers to work. Coaches build trust and encourage clients to take personal responsibility for their journey towards work, as well as providing practical support to write a CV, complete job applications, search for jobs and prepare for interviews. Job coaches provide support for the first twelve months of employment to ensure clients can sustain their job.
11. Our London, Newcastle and Oxford Skylights each run a social enterprise café which offers tailor-made training to homeless people and ex-offenders, leading to recognised qualifications in food hygiene and customer care. The London Skylight also offers a job

¹ The University of York (2014), *Crisis Skylight: An Evaluation, Year One Interim Report*

² St Mungo's Broadway (2014), *Reading Counts: Why English and maths skills matter in tackling homelessness*

³ Based on a total of 1952 members who attended a one to one session with a job coach and/ or an employability class

brokerage service, sourcing employment opportunities for clients ready to work, and volunteering opportunities for clients who want to develop their skills and experience. Job coaches in all the Skylights can support clients to apply for a grant of up to £2,500 to access training, buy tools for work or set up a business, providing there is a robust business plan.

12. Crucial to the Skylight model is the positioning of our employment services within a broader framework that offers holistic support across a whole range of issues. This includes support to secure access to adequate and affordable housing in the private rented sector, as well as support to improve access to mental health services and promote individual well-being. Clients also have access to progression coaches who focus on goal-setting, directing people towards courses, activities and specialist services, as well as providing some help with welfare rights and benefits.
13. An independent evaluation of Crisis Skylight in 2014 found the service to be a major innovation in service provision focusing on the social integration of homeless people. The evaluation found clear indications that Skylight delivers extensive and tangible outcomes in education, training and paid work, as well as enhancing the self-confidence, social support networks and well-being of clients.⁴

I spent most of my working life in the pharmaceutical industry. But in 2004 I contracted cancer and had a major operation. Then I was made redundant. That was just the straw that broke the camel's back. I just let things get on top of me and unfortunately I lost my home. I ended up in a hostel for three years.

When I came out I went into supported accommodation, which is where I heard about Crisis. I managed to get a placement down at their café. The café gave me self-confidence. I felt part of the human race again. Then I saw an advertisement for a chef in a facility for autistic people. It was 30 years since I had an interview, so it was a big step. But Richard from Crisis helped with everything, the application, my CV, interview techniques. When I was offered the job, it was like winning the lottery.

Kevin, Newcastle⁵

14. Crisis has also received funding from the Department for Communities and Local Government and the Skills Funding Agency to deliver STRIVE, a basic skills and pre-employment pilot programme for homeless people, together with St Mungo's Broadway. The focus is on English, maths and IT skills, as well as the confidence needed to prepare for and get into work. Participants receiving support from Crisis have access to the full range of services within the London Skylight centre.
15. One year into the programme STRIVE has enrolled 73 participants, with an attrition rate of only 15 per cent. 48 basic skills qualifications have been obtained. Drawing on the learning from this model, Crisis recommends that **the Department for Business, Innovation and Skills' Adult Skills budget should be incorporated into the funding model for future employment support**, to enable those who are furthest from the labour market to fill basic skills gaps. The adult skills budget is overwhelmingly directed

⁴ The University of York (2014), *Crisis Skylight: An Evaluation, Year One Interim Report*

⁵ Crisis (2014), *Impact Report 2013-14*

towards traditional courses offered by further education colleges, whose demanding attendance requirements are often inappropriate for people with chaotic lives.

The Work Programme

16. Crisis has had long-standing concerns that single homeless people are being poorly served by the Work Programme. Research conducted by Crisis in 2013 found that homeless participants on the Work Programme often felt marginalised and that meetings with advisors were a 'waste of time', due to a lack of personally tailored support. Rather than being supported to overcome their barriers to work, participants said they were often directed towards generic course and training opportunities that did not meet their particular needs.⁶

Joy said she was encouraged to apply for a cleaning job even though she has a bad back and bending down is very painful. She has a degree and she has lots of experience from working in the NHS. Joy's first language is not English and she thinks her spelling isn't very good. She wasn't offered any help or support to improve her language skills.⁷

17. The research found this lack of personally tailored support to be partly due to the referral and assessment process failing to identify homeless people as such. Advisors' large caseloads, combined with high staff turnover, also meant participants did not receive continuity of care and quality support.⁸
18. This supports widespread fears that those furthest from the labour market are being 'parked' by contractors in favour of those who are more job ready. Crisis believes **personally tailored support should be a fundamental aspect of future employment support programmes** and that **homelessness should be included in the assessment process**. This will require lower caseloads and specialist training for staff so that they are able to identify and address housing needs. We discuss this in more detail below.
19. Our assessment of the Work Programme is also informed by our experience as a sub-contractor of the programme in North East England. Between November 2011 and January 2013 we received just 20 referrals, against an expected volume of 75 a year. Many of the individuals referred to us had not experienced homelessness. By failing to make referrals to specialist support available within the supply chain, prime contractors demonstrated their failure to fully understand the circumstances and needs of their clients. Crisis believes **supply chains should reflect the needs of participants as well as issues related to specific geographies** (such as gangs and rural barriers), and contracts should be awarded accordingly.
20. We no longer hold that contract due to the lack of guaranteed volumes. Nevertheless, many of our clients are participants on the Work Programme. This means that prime contractors receive a job outcome payment if we successfully support a client into work, even if they have not contributed towards helping them find a job. This is not only unfair to Crisis but also a waste of public money. Crisis held discussions with prime

⁶ Crisis (2013), *Dashed hopes, lives on hold: single homeless people's experiences of the Work Programme*

⁷ As above

⁸ As above

contractors of the Work Programme in London about a service level agreement enabling us to receive a payment if we supported their clients into work. While there was some initial appetite from primes, this was never realised, in part because there was no real incentive for providers.

21. Our research also identified sanctions as a significant barrier to homeless people on the Work Programme rebuilding their lives and finding work. Instead sanctions were causing severe financial hardship and emotional distress, leaving people without enough funds to cover their most basic needs. This moved people further from rather than closer to the labour market.
22. Sanctions were often the result of missed appointments, either because the appointment dates had not been properly communicated or because a legitimate reason for failure to attend had not been recorded. This was exacerbated by poor communication between Work Programme providers and Jobcentre Plus, meaning people were left with little or no explanation as to why they had been sanctioned.⁹
23. Following the Oakley review into communications about benefit sanctions, the Government committed to improve the guidance to claimants and providers about sharing the Claimant Commitment between providers and Jobcentre Plus. Crisis believes this is insufficient and that **data sharing must be improved so that the Claimant Commitment can be shared directly between Jobcentre Plus and providers**. This would help to reduce the 'fog' of uncertainty experienced by many claimants as they tried to understand the reason they had been sanctioned.
24. Crisis responded to the Committee's inquiry into sanctions in the last parliament. In that submission we outlined concerns that sanctions are often the result of inappropriate and unrealistic requirements being placed on people. These fail to consider the impact of someone's housing situation, and other complex needs, on their ability to seek or prepare for work. We reiterate our recommendation from that response that **Government should conduct a thorough review of sanctions, including looking at their effectiveness in encouraging people into work**. The Government should come to a collective view about the objective of financial sanctions; from DWP's perspective conditionality ensures compliance with a set regime, whilst for the Treasury it is a mechanism to protect the public purse and promote fairness to taxpayers.
25. Our response also included a number of recommendations as to how the conditionality and sanctions regime could be improved in its current form. This included giving Work Programme providers greater discretion to judge when a sanction is inappropriate, as well as placing a duty on providers to demonstrate that they have taken steps to support a claimant to meet their conditionality requirements, before a sanction is imposed. **Crisis urges the Committee to press the Government to accept these recommendations when it responds to that inquiry.**

The future of employment support programmes

26. Crisis has submitted a separate joint submission to this inquiry together with the Employment Related Services Association (ERSA), Homeless Link and St Mungo's

⁹ As above

Broadway. In that submission we set out three key recommendations for the future of employment related support.

27. Firstly, we recommend that **the initial assessment process should identify jobseekers' housing needs, in particular those who are homeless**. As outlined above, homeless people too often fail to be identified as such when they open a benefit claim. It is important the assessment identifies all forms of homelessness, not just rough sleeping, as well as those at risk of homelessness. Support needs in relation to housing, employability and capability for work should be kept under regular review. Assessors should receive comprehensive training and guidance to enable them to identify support needs.
28. Secondly, we recommend that **employment support programmes should address housing needs**. The commissioning framework for mainstream programmes should reflect this so that organisations with relevant expertise can be incorporated into supply chains. Specialist provision should also be commissioned for jobseekers with multiple, complex barriers to employment and better integrated with housing agencies. This must be adequately funded, both to fund the additional support required to meet people's housing and other needs and to incentivise providers to work with this client group by allowing for greater upfront payments. We recommend that **financial models should recognise 'distance travelled'**, since steps taken to secure stable accommodation or overcome other issues will be an important part of participants' journey towards work.
29. Lastly, we recommend that **conditionality should be better tailored to individual circumstances**. As outlined above, sanctions are too often handed down inappropriately, or without taking into account the impact of homelessness on an individual's capacity for jobseeking. We recommend that work-related requirements should take housing circumstances into account and that providers should be given greater clarity about when a jobseeker is 'vulnerable'.
30. In addition to these recommendations, Crisis believes **the support provided to homeless participants should be included in the outcomes framework** for any future programme, to ensure that providers' performance is measured in relation to this particular group. This should incentivise providers to work with homeless and vulnerably housed people rather than 'parking' them in favour of those with fewer support needs. This would also help identify best practice, encouraging providers to increase performance in order to generate higher volumes of referrals.
31. **Minimum service standards should also be introduced**, making clear that individual needs should be addressed where they have been identified in the assessment process. To retain the black box delivery model, these should be based on the quality of support the individual receives rather than prescriptive activities. Together with our recommendation that homelessness should be identified in the assessment, this should incentivise providers to deliver housing support within their supply chain.

Specialist support for those with complex needs

32. As outlined in our joint submission with ERSA and the other homelessness charities, we believe specialist support is necessary to support those with complex needs. Many of our clients have high support needs but have been found fit for work by the Work

Capability Assessment (WCA), largely because the assessment fails to capture circumstances such as homelessness that often relate to or exacerbate people's health conditions.¹⁰

33. Our concerns about the WCA are beyond the scope of this inquiry. Given this context, however, we believe **participants should be segmented according to their distance from the labour market and not by benefit type**. The assessment process for accessing employment support should look at both an individual's capability for work and their employability needs, with support subsequently provided to address both.
34. Homelessness is often experienced alongside a range of other disadvantages. LankellyChase Foundation has estimated that there are approximately 586,000 adults experiencing issues such as homelessness, drug and alcohol misuse and offending at any one time in England. Of these, 220,000 experience two or more of these, while others move constantly in and out of the group.¹¹
35. Crisis believes existing Government funding can be used more efficiently and effectively to deliver innovative and cost-effective services that effectively support single homeless people with complex needs. **An integrated model should be introduced to address complex needs that accesses other departmental funding**, particularly from the Department for Communities and Local Government which recently carried out a call for evidence on complex needs and improving services for homeless people.
36. This should bring together housing and tailored employment support to ensure individuals progress out of homelessness and unemployment into a secure, financially independent situation with job and housing security. In-work progression support should be linked to progression into independent, permanent accommodation. Where possible, this should also incorporate health services, drug and alcohol treatment services, offender management and adult social care, as well as funding from the adult skills budget.
37. It is vital that such an approach does not impose inappropriate expectations on the most vulnerable. There are varying levels of need within the 'complex needs' cohort. While some might be able to undertake work-related activity once their other support needs are met, others with more entrenched problems may never be ready to enter employment and may need significant support just to address their housing need. Support for complex needs must not be usurped by the separate, albeit complementary, aim of supporting people into work.
38. A fundamental premise of such an approach should therefore be that the support provided is tailored to individual circumstances and needs. Work-related conditionality requirements must not be applied in every case. Many people with complex needs will be unable to fulfil work-related conditionality requirements at the point of entry onto such a programme, if at all, and the threat of financial sanctions could significantly reduce an individual's willingness to engage. Any conditionality requirements should be tailored to the individual and financial sanctions should not be imposed on anyone engaging with the programme.

¹⁰ More than a third (36 per cent) of our clients were in receipt of Jobseeker's Allowance in 2014

¹¹ LankellyChase Foundation (2015), *Hard Edges: mapping severe and multiple disadvantage*

39. There are a number of key features that Crisis believes are necessary for an integrated programme to be effective:
- a) **A national outcomes framework:** central Government should develop a national outcomes framework so that the cross-departmental objectives of the programme are clear at a national level. While the programme should be sufficiently flexible to meet local needs and adapt to local employment and housing markets, it must be delivered in a way that delivers nationally agreed outcomes relating to housing, health and skills.
 - b) **An appropriate payment model:** to mitigate the risk of 'harder to reach' clients being 'parked', greater upfront payments should be made to providers to enable high quality delivery and successful outcomes. This is necessary to ensure the recruitment of quality coaches/ tutors/ support workers as well as the high upfront costs of high quality emergency accommodation, on the understanding that these costs will taper off over time as people require less support and can begin to fund their own accommodation as they enter employment. This will also encourage the participation of smaller specialist providers. A payment by results model, possibly using social investors, should only be used if there are sufficient progression payments to measure distance travelled.
 - c) **Progression measures:** a multiple outcomes framework is necessary to offer sufficient financial incentives (and mitigate risk) for potential social investors. Any complex needs programme should measure incremental outcomes such as completing a course, volunteering and CV writing. Soft outcomes such as increased confidence and improved motivation are harder to measure but equally important as they help to map the distance travelled by clients who may be much further from achieving a hard outcome than others but are still benefitting significantly from a service.
 - d) **Appropriate conditionality:** financial sanctions are not appropriate for those with complex needs and should not be applied to a programme targeted at this group. This is not to say that there is no place for conditionality requirements at all, however. People's access to some services may be conditional on them engaging with certain aspects of support. This will ensure that the programme does not encourage damaging behaviours in the long-term, such as rough sleeping or substance misuse. The level of conditionality applied must however be evidence-based and only applied where it is supporting and empowering people to engage with the programme.
 - e) **Holistic support:** an integrated programme should provide a 'one-stop shop' with a single point of contact that allows participants to define their own pathway and access a range of services to address their individual circumstances. People should be able to be referred onto the programme from a range of access points. Where possible services should be co-located, with data sharing policies in place to improve the quality of service provided and reduce duplicate assessments. Some services should be provided via an outreach model so that they can be provided in environments where the participant is more likely to engage.

- f) **Consistency of professional relationships:** successful work with clients with complex needs is reliant on highly skilled staff. In order for participants to be able to establish trust and rapport with the people delivering services to them, it's vital they consistently engage with the same individuals. In particular, their single point of contact should consistently be the same key worker.
- g) **A decent housing offer:** for an integrated complex needs programme to be successful, it must include a decent, affordable, sustainable housing offer. The stability this provides is crucial to enabling participants to address their other needs. Accommodation should be self-contained, furnished and available for a sufficient period so that participants do not need to move constantly, with rent levels adaptable to incentivise a move into work. Current forms of emergency accommodation are not conducive to providing stable environments from which to achieve employment aims. A decent alternative should provide a sufficient incentive for participants to engage with the programme and the other support provided.
- h) **Access to accredited learning in functional skills:** many homeless people lack basic literacy and numeracy skills so it's vital that support to get closer to the labour market includes access to adult education, in order to close skills gaps. Recent evaluation of our own services shows a positive correlation between attendance in accredited learning in functional skills and employment outcomes.¹² Classes should be delivered at a manageable length and frequency, with a tutor participants trust.
- i) **A supportive culture:** the relationship between the participant and their coach/ support worker/ tutor will be central to the success of the programme. It's crucial that providers have a working culture that encourages aspiration and keeps participants engaged, as well as facilitating strong partnership working between services. Small to medium not-for-profit organisations are experts in working with vulnerable groups and are ideally suited to developing creative and innovative solutions to support those with the most complex needs. Greater upfront payments will minimise the risk to third sector providers and encourage their greater involvement in delivery. This will also enable providers to pay decent salaries and recruit the best talent to coach/ tutor/ support worker roles.
- j) **An appropriate referrals mechanism:** in order for the programme to be viable, it's important that there are sufficient referral routes to recruit participants in sufficient numbers without providers having to spend significant time and resource engaging participants. Providers should nevertheless be able to generate their own referrals and individuals should be able to opt in to the programme. The criteria for entry onto the programme should not be too narrow since this may limit the number of referrals.
- k) **Sufficient programme length:** it can take at least two years of engaging with support services before an individual with complex needs is ready for skills training or work-focused activity. The programme should therefore include the ability to extend, if needed, over three years, on the condition that a provider evidences what support the person has received over the first two years. This will also encourage providers to innovate in the services they deliver.

¹² Unpublished analysis of Skylight evaluation data

For further information, please contact:

Alice Ashworth
Senior Policy Officer
Crisis
66 Commercial Street
London E1 6LT
Tel: 020 7426 3893
alice.ashworth@crisis.org.uk