

Universal Credit In-Work Progression Randomised Control Trial

Angelo Valerio

Helen Morrell

Labour Market Analysis Division, DWP



IWP Trial – Contents

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- RCT design
- Evaluation approach
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Context



Universal Credit

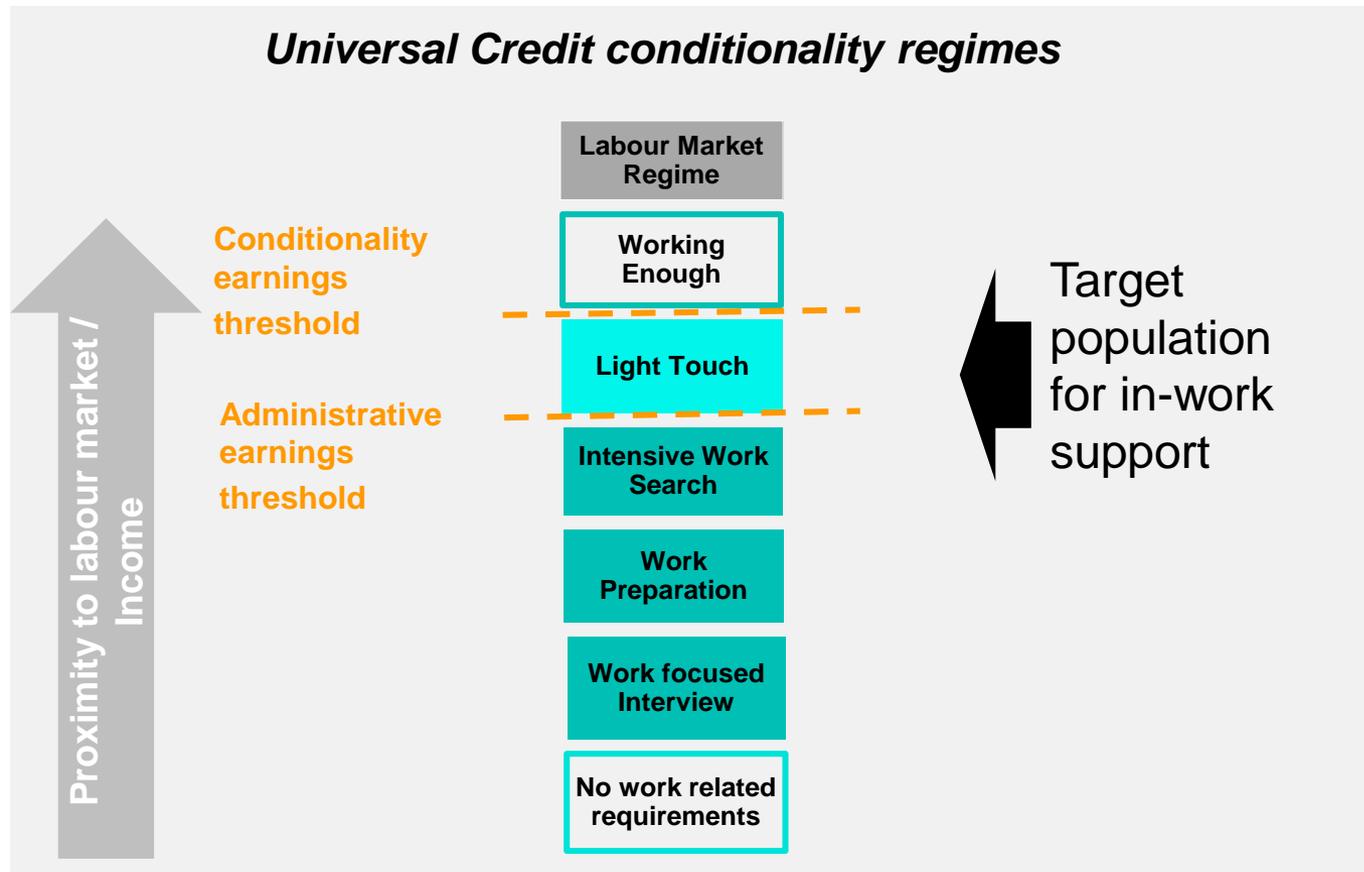


- The biggest change to the welfare/ benefits system in a generation.
- Replaces six existing means tested benefits:
 - Job Seekers Allowance
 - Employment Support Allowance
 - Housing Benefit
 - Working Tax Credits
 - Child Tax Credits
 - Income Support



Universal Credit for those in work

- Once Universal Credit (UC) is fully rolled out, there will be around seven million households in receipt of UC, of which around three million will be in work.



In-Work Progression

Defining progression

- No commonly agreed cross-governmental definition of progression
- For the purposes of this trial, we understand progression as:
Raising, in a sustainable way, an individual's labour market earnings
- As well as 'vertical' earnings progression; also important to consider intermediate outcomes – sometimes known as 'horizontal' progression.

Evidence base on what works

- Small, but growing - main evidence from US studies or small-scale UK pilots
- DWP taking '**Test and Learn**' approach to developing in-work offer



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TULSA
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Breaking the low-pay,
no-pay cycle: Final evidence
from the UK Employment
Retention and Advancement
(ERA) demonstration

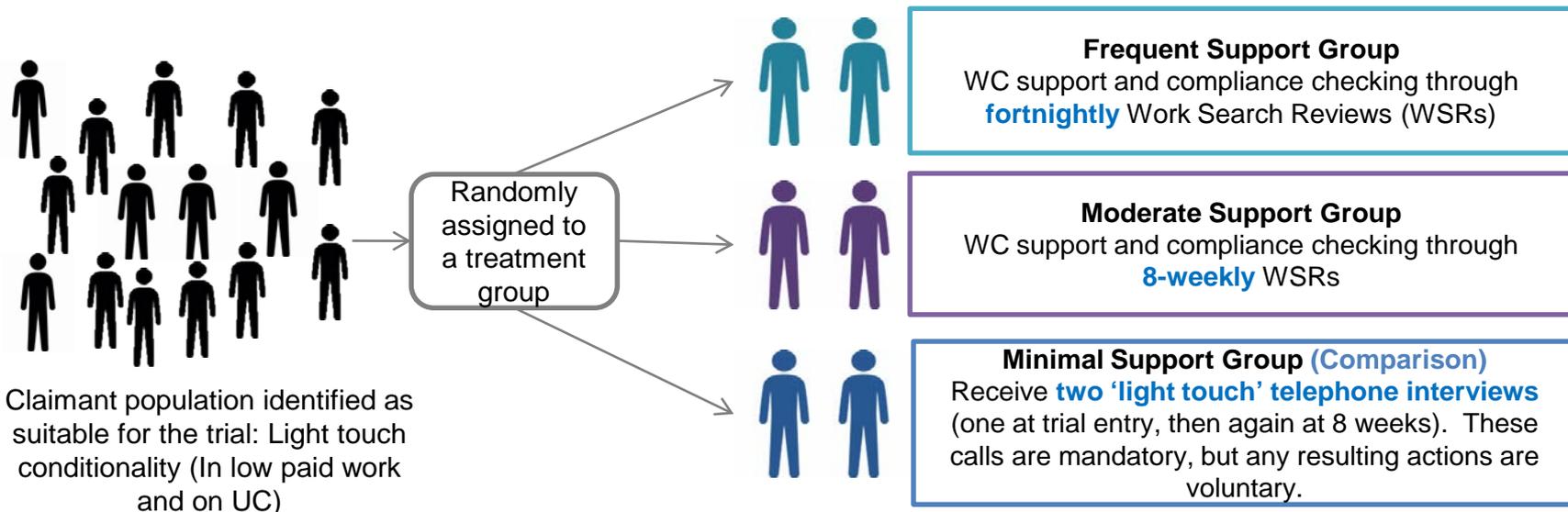
timewise
foundation

RCT Design



RCT Design

RCT testing the effectiveness of differing intensities of support and conditionality regimes. Part of DWP's 'Test & Learn' approach to developing in-work offer.



Recruitment to the trial

April 2015 – Mar 2017

Interventions ended: **Mar 2018**

Total participants

30,709 claimants

Available for analysis at **52 weeks**



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The intervention

Participants should receive:

- One to one support from a Work Coach.
- Regular meetings focused on identifying barriers to progression, such as tackling motivation, confidence, and signposting to appropriate help, including referral to training
- Conditionality requirements to embed the expectation that participants take reasonable steps to increase their earnings in return for the support on offer.
- Participants agreed a 'claimant commitment' at the start of the trial which was updated throughout.

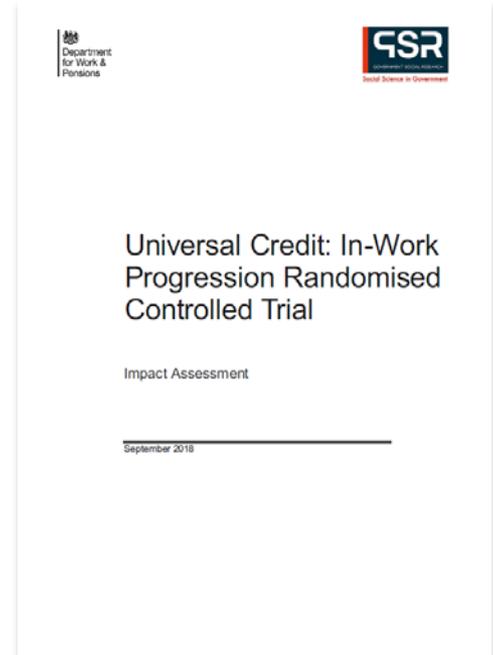


Evaluation approach



Evaluation approach

- Impact Assessment (30,709 sample)
 - Analysis of HMRC RTI earnings data and DWP admin data
 - Average earnings impact in £GBP at 52 weeks after trial start
 - Proportion of claimants seeing progression of over 10% at 52 weeks
- External evaluation (over 2,500 sampled at Wave 1 and 1,200 wave 2)
 - Longitudinal telephone survey, wave 1 at 3 months, wave 2 undertaken 15-16 months after trial start
 - hours; contract type; and wider intermediate outcomes (eg, training, attitudes)
 - Employer research



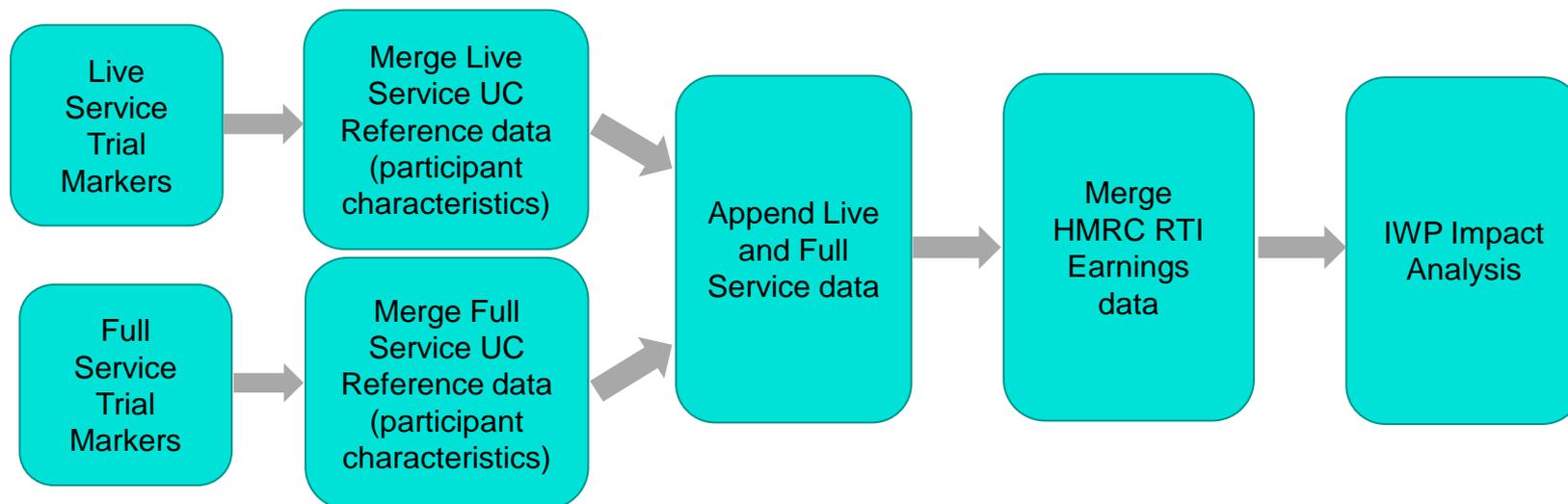
*Published 12th
September 2018*
<https://www.gov.uk/government/publications/universal-credit-in-work-progression-randomised-controlled-trial>



Impact Assessment – data sources

The analysis was performed using Government administrative data.

- trial marker identification, characteristics of trial participants (gender, age, ...) and Real Time Information (RTI) salaried earnings from HMRC.



Trial participants' characteristics and RTI earnings histories were matched using encrypted national insurance numbers.

Administrative data was also used to create Management Information for compliance purposes during the trial.



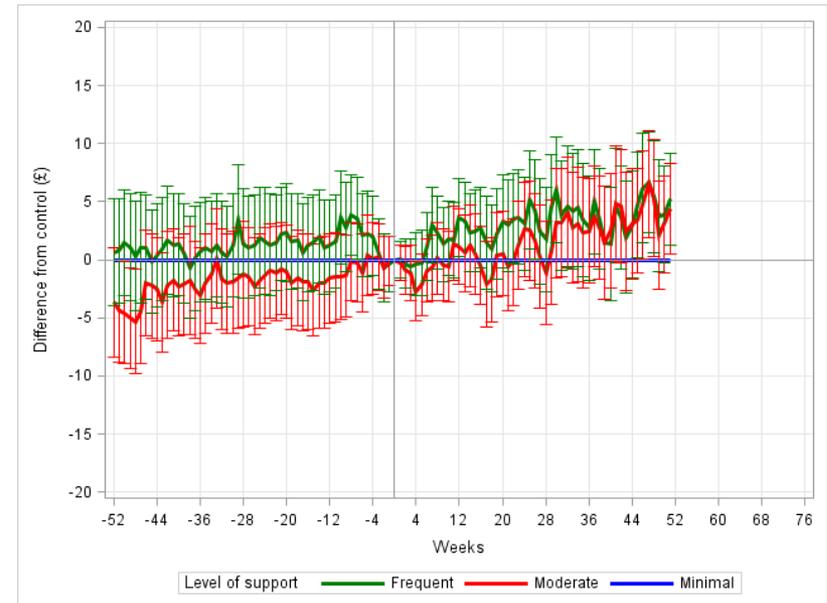
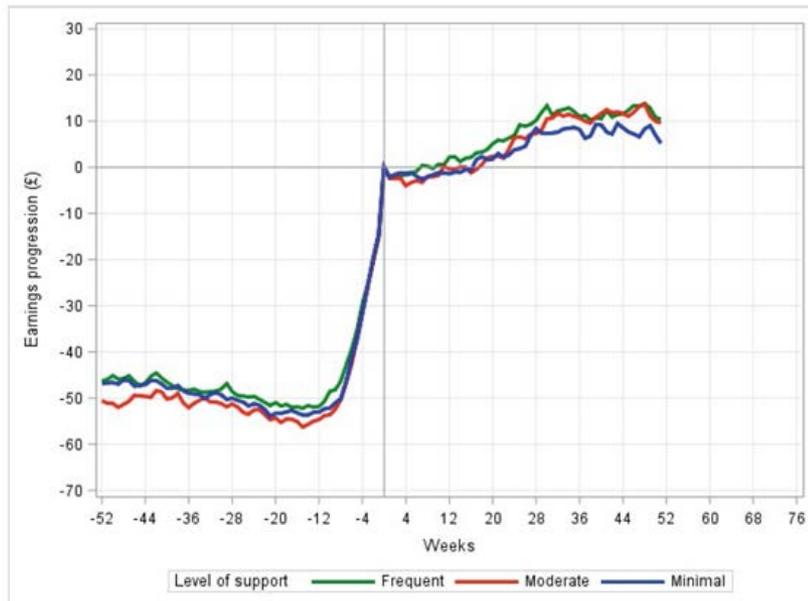
Findings



Findings: Earnings

The headline earnings findings at 52 weeks:

- **Frequent** and **Moderate** Support participants earned **£5.25** and **£4.43** per week more respectively than Minimal Support participants.



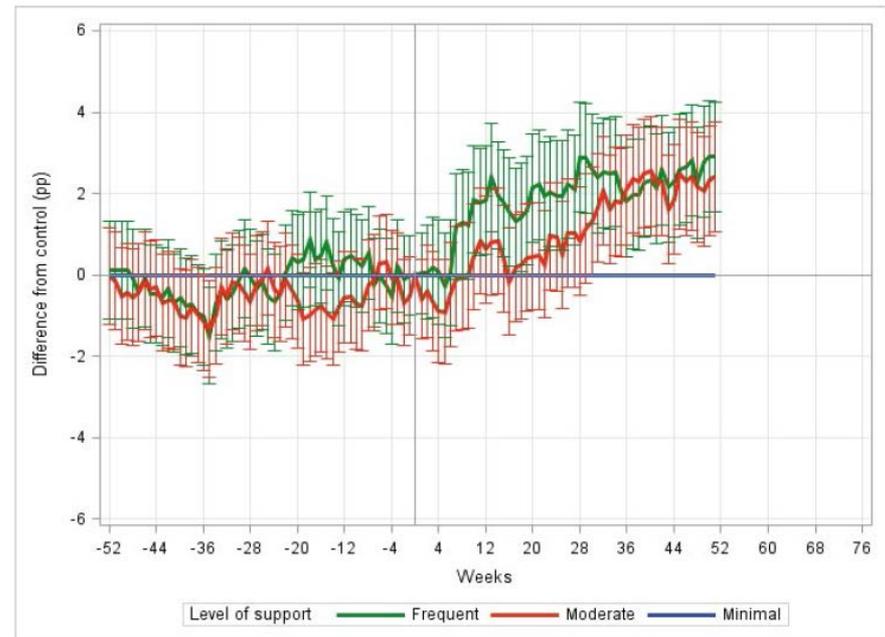
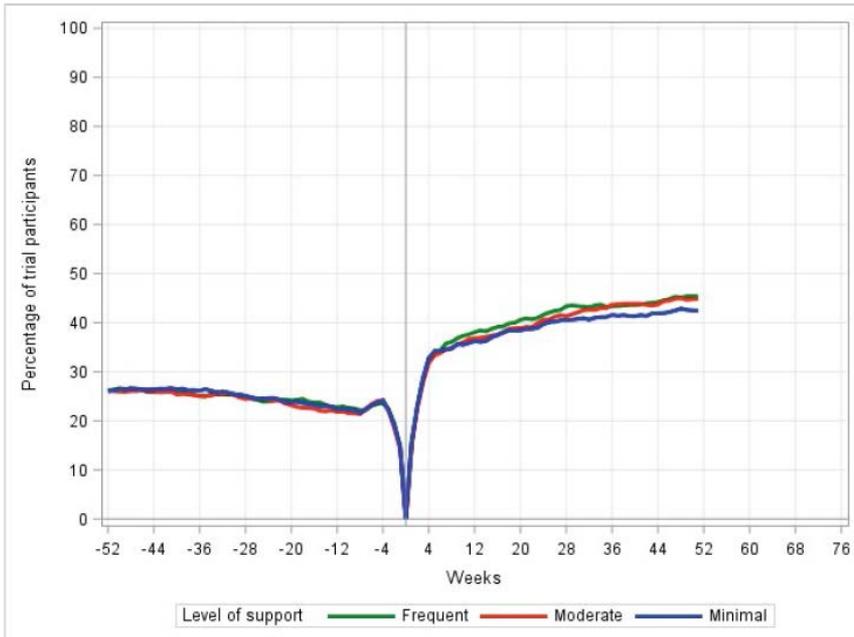
- *The independent evaluation conducted by Ipsos MORI did not detect a statistically significant impact on earnings. This is likely due to the smaller sample size.*



Findings: Earnings (cont.)

The headline earnings findings at 52 weeks:

- The proportion of participants who had increased their earnings by 10% or more was **2.9** and **2.4 percentage points** higher in the **Frequent** and **Moderate** Support groups respectively than the Minimal Support group.



Findings: Sanctions

- Only a very **small proportion (2.4%)** of participants have been sanctioned
- Being in the 2 more intensive intervention groups did increase your chance of being sanctioned:
 - **3.1% Frequent Support; 2.6% Moderate Support;**
1.5% Minimal Support
- Across all three IWP groups, **failure to attend an interview** with a work coach was the most common reason for being sanctioned. This accounted for **91.2% of sanctions** applied
- Work coaches are often **hesitant to sanction** this group. But **awareness** of sanctions is high however



Findings: Intermediate outcomes

External evaluation (MORI) found some encouraging findings for the more intensive intervention groups, namely:



Frequent and Moderate groups saw statistically significant increases in the **proportion of participants in permanent jobs** at 15 months



Frequent group participants were more likely than other participants to have **been on a training course** (33% compared to 24% for Moderate and 26% for Minimal)



Frequent group participants were more likely to report that the actions that they had undertaken had resulted in a **new job** (22%, compared to 16% for the other two groups)



Frequent group participants were more likely to report that the actions that they had undertaken had led to **increased hours** (45% compared to 37% for Moderate and 33% for Minimal)



Average number of **barriers to progression** reported by the Frequent Support group fell by 5pp at 15 months



Participants who did **any** job-related training were more likely than other participants to report an increase in their earnings

However, **the evaluation was not able to detect an impact** of the more intensive regimes in a number of areas including:

- Attitudes to work; attitudes to progression; the proportion of participants in-work but no longer claiming UC; the proportion of participants in employment



Qualitative findings

Ipsos MORI's follow up qualitative interviews found some encouraging results, indeed, **participants** commented that ...

Working is having a good effect on me.... I enjoy it for one and I feel like I am achieving something...If I was not working I get quickly bored.

I might have fallen by the wayside and become fed up of trying to find a job... she [WC] encourages me to keep going.

Every time I come out of the Jobcentre I have more ideas and information on how to look for jobs.

Although, not all participants had a positive experience...

They [meetings] are not very beneficial... they are standardised. [It's a] one size fits all approach.

Her [WC] sole focus is to get me off benefits... she does not understand my situation... she keeps saying, 'have you increased your hours. Have you spoken to your boss



Qualitative findings (cont.)

Qualitative research highlighted the importance of the interaction between an individual's personal motivation and their relationship with their Work Coach in influencing progression outcomes:

- **High personal motivation and few barriers** - able to achieve an increase both in hours worked and overall earnings, regardless of the type of support they received.
- **Greater personal or practical barriers** - able to overcome their barriers and increase their hours and/or earnings when they received a tailored intervention from a supportive Work Coach.
- **Low motivation** – no change to work status or became unemployed when WSRs focused on actions they had taken to increase their hours but did not address barriers to progression.

COM-B

Behaviour is said to occur as a result of an interaction between 3 necessary conditions:



Figure 9.1 COM-B framework applied to the in-work progression (IWP) intervention

	Capability	Opportunity	Motivation
Factors for progression:	<ul style="list-style-type: none"> • Appropriate skills e.g. basic computer skills, ability to drive • Confidence • Support with / access to childcare 	<ul style="list-style-type: none"> • Availability of / proximity to suitable jobs – more challenging for highly skilled / educated • Transport 	<ul style="list-style-type: none"> • Intrinsic motivation • Positive support network
Role for intervention:	<ul style="list-style-type: none"> • Tailored support – access to appropriate training, CV skills, computer skills, interview techniques 	<ul style="list-style-type: none"> • Support to move sector if needed • Advice on next steps 	<ul style="list-style-type: none"> • Positive relationship with WC helps build motivation • Spontaneous / proactive contact with the WC can help to sustain this.

Figure 9.2 Intensity of intervention

Audience	Intervention intensity	Contact
Highly motivated claimants with few barriers	Light	Telephone calls, contact via journal
Claimants with lower motivation and/or high motivation + barriers	Medium	Monthly F2F contact with WC + contact via journal
Claimants with poor motivation and skills barriers	Intensive	Regular contact with the WC, positive coaching relationship, clear goals and targets



Employer research: *barriers/enablers of IWP*

Qualitative research conducted with employers in low paying sectors (retail, social care, hospitality) as part of external evaluation

BARRIERS

- Limited number of roles above entry levels levels
- Constraints on staffing budgets
- Need for specialist skills to unlock progression

Horizontal progression

That's what we can offer. We can't offer you promotion, we can't offer you a fabulous wage, but we can offer you a chance to skill up

[Social care SME]

ENABLERS

- Permanent contracts
- A focus on staff retention
- Filling vacancies with internal candidates
- Business growth

Employee motivation

Opportunities are there to get progression, if you have the desire to do it... What we're looking for in our staff is people who've shown a desire and initiative to do more and achieve

[Large retailer]



Next Steps

- Further analysis of RCT data; e.g. are impacts sustained over a longer period?
- Understanding claimant group following UC full roll out – including tax credits. More research to understand barriers so we are better equipped to provide appropriate help/support.
- Developing JCP ways of working on progression (e.g. Digital delivery)
- Expanding cross-government research and policy development on progression
- Strengthening links outside government around progression agenda



Thanks! Questions?



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