SNAKES AND LADDERS

TACKLING PRECARITY IN SOCIAL SECURITY AND EMPLOYMENT SUPPORT

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FOREWORD

'I have experienced much of what is discussed in this report.

I work in education, and my employer restricts my shifts to 30 hours a week. It's proposed universal credit will require me to work over 35 hours. I will have to leave my job and take 'any job', regardless of the job satisfaction, pay scale or flexibility it allows me.

There are very few employment opportunities available to me as I live in a rural area. Would it really make sense for me to travel one to two hours for a 40-hour job and come home with less income because of travel costs?

It seems to me policies are being developed within government by people who have little to no experience of the harsh reality many face. It can be exhausting and very scary, creating mental health worries and long-term health concerns. We need to listen to people, give them a hand up and the ability to see a way out. Please read this report, and act on its messages. Change is possible, and long overdue.'

Caroline, Changing Realities participant

SUMMARY

Across the country, people are trying to make ends meet, build financial security and pursue their aspirations. But, in a vicious cycle of snakes and ladders, many are being pulled down into poverty.

Millions of families are struggling to get by. Progress in tackling poverty has stalled in recent years. Our social security system is failing to protect people, payment levels are inadequate to meet essential costs, and deductions are entrenching debt. Our employment support services are characterised by an 'any job' model of generic advice, underpinned by a punitive sanctions regime.

Responding to an evolving labour market and delivering a comprehensive social security system that builds financial wellbeing will require ambitious, wide-reaching reforms. IPPR and Changing Realities have developed plans for a public employment service available to all, and call on the next government to run a comprehensive assessment of true living costs to shape a long-term approach to social security.

But action is needed sooner: this is our focus in this paper. Many aspects of our social security system need investment and repair, and the next government will need to prioritise. This paper advocates for two core, short-term goals:

1. Protecting people from poverty
2. Opening up opportunities for sustainable, good quality work

The extent and depth of poverty reflects political choices. Divesting from social security is both a failure to deliver on an established social contract and a false economy, adding pressure to other public services and the labour market.

By working toward these goals, the next government can lay the groundwork for a social security system that fosters and protects financial security and breaks down barriers to opportunity.

GOAL 1: PROTECTING PEOPLE FROM POVERTY

While inflation is falling, the costs of essentials remain unmanageably high. The next government should mitigate the impacts of poverty by **bolstering universal credit (UC)** in three ways.

Supporting financial security

- To cushion the withdrawal of cost-of-living payments expected in 2024/25, the **standard allowance should be permanently increased by £600 per year**, alongside standard uprating. This will cost £4.9 billion and lift 350,000 people out of poverty.
- **Alternative payment arrangements (APAs) should be offered to all new claimants**, including the options to make housing payments direct to landlords, adjust the frequency of payments and split payments to different members of a household to support budgeting.

Protecting households from debt

- To address the five-week wait for income at the start of a claim, **backdating rules should be reformed so that financial support is payable from day one** of a claim where there are no earnings in the previous month.

- **Deductions from benefits should be subject to a hard cap of 15 per cent** of the standard allowance; debts to external agencies should be prioritised over the recovery of departmental debt; payment terms should be extended as necessary to achieve this; and the recovery of debts should be reformed in line with industry best practice.

Meeting costs experienced by families in different circumstances

- **Remove the two-child limit and benefit cap**, which arbitrarily cap benefit entitlement with no regard for the costs families face.
- **Remove the 'bedroom tax'**, which penalises social renters deemed to have more rooms than they need and disproportionately affects disabled people who have sleep-in carers or equipment.
- **Align the rates of benefits paid to under-25s and over-25s**, in UC and the appropriate legacy benefits.
- Together these policies cost £5 billion and will lift 350,000 people, including 150,000 children, out of relative poverty.

GOAL 2: OPENING UP OPPORTUNITIES FOR SUSTAINABLE, GOOD QUALITY WORK

Employment support is characterised by an unequal power dynamic and generic advice. DWP should drive a shift in approach towards **relational support**, focussed on meeting individual needs and delivering tangible improvements in earnings and outcomes.

Develop a new employment support strategy supported by three pillars of relational support

- Pillar 1: Introduce a **statement of rights for claimants**, and **co-locate work coaches with trusted public services and charities**, to move towards an equal partnership between employment support services and individuals accessing them.
- Pillar 2: Offer tailored support to unleash potential, by co-commissioning charity organisations to deliver **specialist employment support** with NHS and local authorities.
- Pillar 3: Deliver support that is enabling, not punishing, by **following the evidence on conditionality** and introducing a **genuine 'yellow card' sanctions system**.

Move away from the 'any job' model to focus on secure and good quality work

- To **replace the scattergun 'any job' model** with a laser focus on securing the **right job**, work coaches should actively prioritise job opportunities which embed learning and development, and explicitly account for personal health, caring and parental responsibilities when identifying work and training opportunities. Work coaches' own performance measures should be revised to support a focus on duration, pay and security of work.
- **Work coaches should work with employers directly** to broker work and training opportunities for the individuals they support.
- DWP and local authorities should collaborate to **embed good work within local economies**.
- The Department for Education should introduce a **means-tested training grant**.
- Government should establish a new **What Works Centre on Progression at Work**, to build evidence and support innovation.
- The Department for Business and Trade should trial **incentives for employers to introduce flexible working and in-work training**.

Unlock progression and make work pay

The Department for Work and Pensions should:

- reduce the UC taper rate to 50p and increase work allowances
- introduce a second-earner work allowance for parents
- bring forward the 'Chance to Work' scheme to offer specialist support to disabled people without the threat of a sanction
- not impose a sanction on those voluntarily leaving work
- introduce a fast-track solution to address errors in real time information which result in incorrect payments.

1. INTRODUCTION

Our economy is stagnant. Years of limited growth combined with disinvestment in infrastructure and public services have eroded living standards and narrowed scope to build financial security. For individuals, this has contributed to a pervasive sense of precarity. Structural weaknesses mean our welfare state is failing to provide a path away from poverty.

The next government will inherit an acute set of challenges (Emmerson et al 2024). The main political parties have committed to work within rigid fiscal rules; and amidst crumbling public services, extended NHS waiting lists and calls for tax cuts, there will be a need to prioritise.

Among these competing pressures, our social security system warrants particular attention. Poverty remains too high, and destitution has been rising precipitously in recent years (JRF 2024). For many, work is no longer offering a means of escape: nearly two thirds (64 per cent) of working age adults in poverty are in a household where someone is working (ibid). These are both symptoms and cause of a fundamental characteristic of the UK economy: we are stuck in a low pay, low productivity equilibrium.

These complex structural challenges will ultimately require large scale transformations. We have developed proposals for an aspirational public employment service, open to all who need it – in and out of work (Wilkes et al 2023). We have also called for government to build true social security through conducting a bottom-up assessment of living costs, to inform UC rates over the long term (Parkes et al 2023).

But the difficult reality is that these systems-level changes will take years; and people trapped in poverty, and locked out of secure and inclusive work, need change to come sooner than that.

Against that backdrop, this paper with Changing Realities focusses on the immediate term, and is designed to work within the challenges and constraints the next government will face.

It identifies two core goals for our welfare system that warrant an immediate focus:

1. tackling poverty
2. opening up opportunities for sustainable, good quality work.

Our welfare state is not fulfilling these roles adequately, and this is evidenced in the extent, nature and depth of hardship that households routinely face across the UK.

Firstly, poverty and extreme financial hardship have become acute problems. With wages at a standstill over the last decade, recent soaring prices came at a time when many households were already struggling to meet essential costs. While some have seen their earnings increase in the period since the cost-of-living crisis started, for many, the damage had already been done. Use of foodbanks has reached unprecedented levels, and there has been a sharp rise in households taking out loans to cover bills and daily spending (Evans et al 2023). There are 14.4

million people in poverty across the UK, and between 2017 and 2022, the number of people experiencing destitution more than doubled (JRF, 2024).

Secondly, people on low incomes too often cycle between low paid, insecure roles and stints of unemployment. Limited worker rights and protections are likely contributing to this, as workers face considerable risk when changing roles and facing a new probationary period. While levels of unemployment have been low in recent years, the number of people who are out of work and not looking for work ('economically inactive') is the highest it has ever been. People who are disabled or have long-term health conditions tend to face longer periods out of work (DWP 2023f), and in many cases struggle to find roles which offer inclusive and flexible working practices (Florisson et al 2022).

This paper focusses on the role UC can play in supporting our first goal: preventing poverty. This is just one element of a comprehensive social security system – disability benefits, child benefit, support for carers and the older 'legacy' payments all play a vital role in mitigating the impacts of low incomes for different groups. But following a rocky start and a series of reforms, UC is now well established. While far from perfect, it has seen considerable improvements over recent years, and is now the most effective way of targeting support to over 6 million people across the country.

For too long, our welfare state has taken a punitive approach, ignoring individual motivations and challenges, and wasting resources on approaches to support that simply don't work. This paper sets out a new direction for employment support, moving away from coercion and a scattergun 'any job' model, towards meaningful support grounded in fostering trusting relationships and supporting individuals to find secure and sustainable work.

Decisive action in these areas will also be essential for any government working to break down the barriers that have held back our economy. Analysis from the International Monetary Fund (2014) has shown that investing in our social security system can support economic growth. Investing in targeted employment support and skills provision will not only make a meaningful difference to individuals who are unemployed or trapped in low paid work, but also will help to address the skills shortages constraining employers and sectors.

Longer-term, strategic reforms will require in-depth consultation and engagement with people on low incomes, employers and the voluntary sector. These shorter-term actions could give a government the space and flexibility needed to work on those.

Over a decade of divestment has worn away confidence in the social contract at the core of UK citizens' relationship with the state. The next government has an opportunity to set a new course: one that focusses on tackling poverty and supporting secure work, and could make decisive progress in transforming livelihoods, rebuilding financial security and breaking down barriers to opportunity.

2.
GOAL 1: A WELFARE STATE THAT PROTECTS PEOPLE FROM POVERTY

SOCIAL SECURITY SUPPORT IS LOW AND EXPECTED TO FALL THIS YEAR

A substantial gap exists between social security support and the cost of essentials (JRF and TT 2023), with households increasingly running 'negative budgets'[1] (Upton 2023).

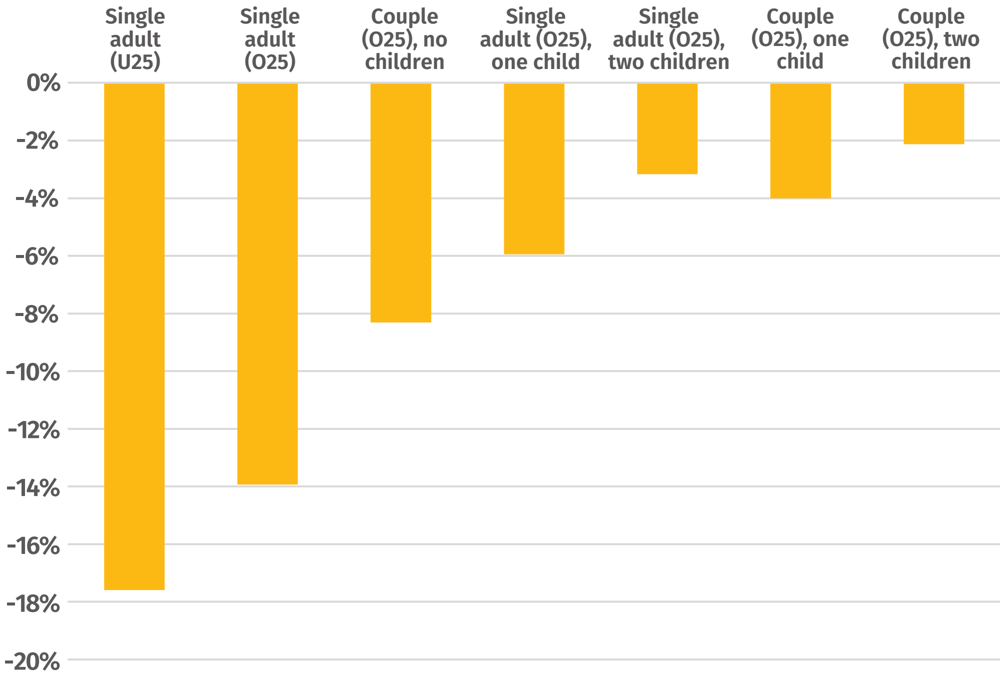
And things are expected to get worse: many low-income households will see a fall in financial support, as planned benefit uprating will not compensate for the end of emergency cost of living payments from February 2024.

For an unemployed person aged under 25, this equates to a drop in income of £665 a year[2] compared to 2023/24 (IPPR analysis of DWP 2023a); when factoring in inflation, this represents a real-terms terms cut of 18 per cent. While other households won't be as negatively affected, the squeeze will be widespread.

FIGURE 1.1

The withdrawal of cost of living payments will lead to lower incomes in 2024/25

Real-terms change in financial support for living costs, for different out of work households



Source: IPPR analysis using DWP 2023, OBR 2023, HMRC 2023

1 'Negative budgets' refer to when expenditure exceeds income.

2 Some households will receive additional income for housing due to the unfreezing of local housing allowances (LHAs), but we assume this will be allocated to meeting housing costs or closing existing housing shortfalls.

- To cushion these income drops, **we recommend the next government increase the core entitlement for all households on UC by £50 a month**. This would minimise real-term cuts in income for living costs to 5 per cent[3] (IPPR analysis of DWP 2023a and OBR 2023b). Where it is not possible to change rates for legacy claims, cost of living payments should be continued at an equivalent level of £600/year.

  We estimate this would cost £4.9 billion in 2024/25, immediately lifting 350,000 people, including 150,000 children, out of poverty. (IPPR modelling using DWP 2023b).

These increases would still leave benefit levels below those needed to meet essential costs, and there would remain a strong case for the government to set out a long-term course for achieving adequate levels as set out in earlier IPPR research (for more details see Parkes et al 2023).

THE WAY UNIVERSAL CREDIT IS ADMINISTERED DRIVES INDEBTEDNESS

The five-week wait can pull people into debt from day one

UC provides no assistance until five weeks after a claim is made[4]. Claimants, who typically lack savings upon making a claim (Drake 2017), are forced to borrow advances from the DWP to cover this income gap. Consequently, many accumulate significant debts to the DWP, in addition to other debts, including from legacy benefit overpayments.[5]

Although repayment periods for these advances have been extended from 12 to 24 months, UC rates are so low that any deductions make life substantially harder, alongside the psychological impacts of taking on (potentially more) debt.

> ***'Starting claiming universal credit is so stressful, because there is a long wait. You also get the offer of an advanced payment which obviously as a single parent I had to take. I paid this back over two years so I thought it would be fine.***
>
> ***Then I got a letter from DWP saying they had overpaid my tax credits and would be taking it from my universal credit. This was quite high at the start. I have now paid that amount back and I'm £70 a month better off for it. It's just a stress.'***
>
> **Roxy,[6] Changing Realities participant**

The way benefits are paid can lead people to get into more debt

UC claimants receive a single monthly payment covering both housing and living costs.[7] This can make finances harder to manage and increase the risk of debt. While it aims to mimic working life (DWP 2010), many lower-paid jobs commonly pay weekly or fortnightly (Bell et al 2020).

Claimants can request 'alternative payment arrangements' (APAs), but in England and Wales these are conditional on meeting certain eligibility criteria[8] (DWP 2020),

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3 For all groups analysed in figure 1.1, under forecasted inflation for 2024/25.

4 This delay is inherent in UC's design, involving payments in arrears based on reported earnings from the previous month (DWP, no date).

5 These typically relate to historic working tax credit overpayments whereby someone's earnings increased more than was expected from one year to the next, meaning their tax credit award was too large, resulting in a debt to the department.

6 Throughout this report, we share firsthand evidence from social security claimants. In each case, this comes from participants from the Changing Realities research programme.

7 This differs from the legacy system. Living costs under the legacy system were paid fortnightly. Housing benefit was originally paid directly to landlords of both social and private tenants, but following the introduction of local housing allowances in 2008 it was paid directly to tenants by default.

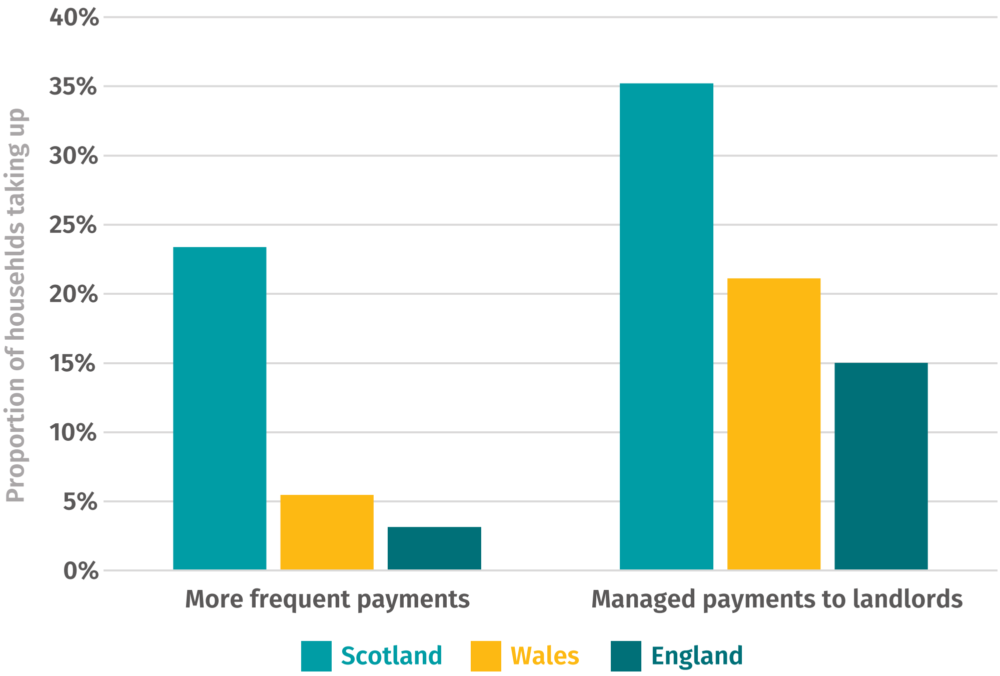
8 For example, having a history of rent arrears or complex needs.

and awareness and take-up are low (Parkes 2022). In Scotland, these are offered proactively, and take-up is much higher.

FIGURE 1.2

Alternative payment arrangements are much more common in Scotland, suggesting unmet need in the rest of Great Britain

Uptake of APAs on UC in Scotland and the rest of Great Britain



Source: IPPR analysis of DWP 2024

The ways debts are recovered can exacerbate harm

Living in debt impacts financial resilience and can lead to broader harm. Claimants may lose up to 25 per cent of their standard allowance to repay debts, potentially leaving them with just £50 per week for living costs (Shelter 2023). The 25 per cent cap can be exceeded in cases deemed 'in the best interests of the claimant,' such as urgent debt repayment (ibid). These caps do not consider debts outside DWP recovery, like credit cards.

Debt deductions are prevalent, affecting 45 per cent of households on UC at an average of £62 per month. The majority (74 per cent) stem from advances and past benefit overpayments, including £24 billion linked to historic tax credit debt (Trussell Trust 2022). DWP's debt recovery practices diverge from best practices in the private sector.

- **We recommend the next government tackle the five-week wait by reforming backdating rules.**

  People who lose their job often put off applying for UC, trying to get by for some time with no earnings before they claim. Many then need an advance to tide them over during the initial assessment period, but this immediately pulls them into debt.

If the first assessment period included the month before a claim, people in these circumstances might be eligible for UC from the day they claim[9].

At the moment, UC can only be backdated in this way under limited circumstances, such as where illness would have prevented making a claim (Citizens Advice 2018) – but broadening this out could help prevent claimants from accumulating debt.

To manage costs (and limit the extent to which conditionality is being waived), this could be limited to one backdating in a specified period (for example, once every two years) and limited to two weeks. This could then be supplemented by a smaller advance, with more manageable repayments. This retains an incentive for claimants to apply for UC as soon as possible, whilst managing costs and halving the debt claimants take on at the start of their claim.

Introducing two weeks of backdating for new claims would cost an estimated £300m in the first year[10], with costs falling if rules on the frequency of backdated claims were introduced as suggested above. (IPPR analysis using DWP 2023b 2024a)

- **We recommend DWP should offer alternative payment arrangements (APAs) by default at the start of a UC claim.**

  As standard, claimants should be offered:
  - Fortnightly rather than monthly payments
  - Payments direct to landlords
  - Split payments between partners in a joint claim

  This would better reflect the realities of low-income households' lives. Based on the take-up of a similar scheme in Scotland, we estimate that 960,000 households in England and Wales would take up more frequent payments, and 950,000 would take up payments direct to landlords.[11] (IPPR analysis using DWP 2024a.)

- To limit the impacts of debt deductions on financial wellbeing, **we recommend the next government reform debt recovery rules** by:
  - Introducing a hard cap on deductions at 15 per cent of the standard allowance, with debts to external agencies prioritised over the recovery of government debt, and payment terms extended as necessary to achieve this.
  - Reform the recovery of debts in line with industry best practice, for example by:
    - assessing affordability before imposing a deduction, using the Standard Financial Statement (Money Advice Service, no date), and pausing deductions where they become unaffordable
    - proactively advising those subject to a deduction that it is possible to request a reconsideration, with a clear and simple process to do this by telephone and within the UC online 'journal'.

Taken together, these policies would reduce the amount of debt claimants need to build up through UC and help to build and protect financial security.

9 This would require formally waiving the requirement to have signed a claimant commitment and met work search requirements for the backdated period.

10 Based on around 100,000 starts per month, 50 per cent take-up and an average UC award as estimated by the IPPR tax-benefit model in 2024/25.

11 As households can take up both arrangements, these cannot be added together. It is not possible to estimate how many people might benefit from split payments if this were available as a default option, as Scottish Choices does not include an option for split payments.

THE SYSTEM DOES NOT ADEQUATELY REFLECT COSTS AND CIRCUMSTANCES

Welfare reforms over the past decade have exposed and stretched holes in the safety net, with levels of support increasingly out of kilter with household needs. The next government should make the following changes to repair these holes and reestablish our social security safety net.

Caps leave some household groups with significant income shortfalls

The two-child limit

Families on UC now only receive the child element[12] for their first two children, unless further children were born prior to April 2017.[13] The impacts of this policy ramp up over time as more third or additional children are born after the cut-off, with around half of larger families affected: some 410,000 households, a majority of whom are in work.[14] (DWP 2023c).

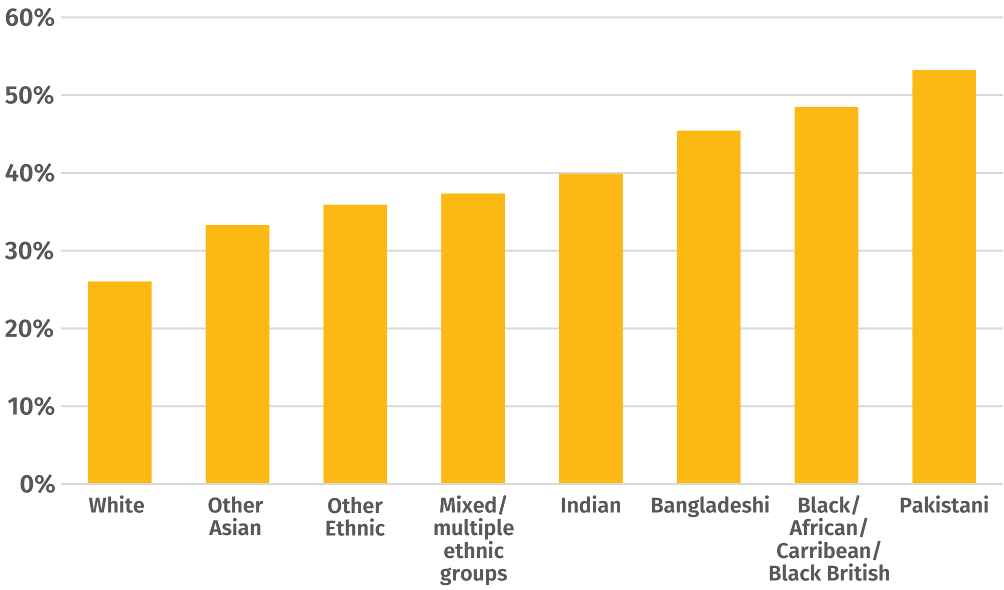
This exacerbates rising relative poverty amongst larger families, who are over 50 per cent more likely to be in poverty than families with one or two children, and the situation is expected to worsen over time (Try 2024).

This policy disproportionately impacts some racial and ethnic groups: because larger families are more common among people of Pakistani, Black and Bangladeshi origin, these groups are much more likely to be affected by the two-child limit than others.

FIGURE 1.3

Households of some ethnic groups are more exposed to the effects of the two-child limit than others

Proportion of people living in a household claiming UC (or equivalent) and potentially affected by two-child limit, by ethnic group



Note: Statistics relate to the average of 2021/22 and 2019/20, with data from 2020/21 omitted due to issues with sample sizes.

Source: IPPR analysis of DWP 2023b

12 For households on legacy benefits, Child Tax Credits are similarly restricted to the first two children through this policy.

13 and with some exceptions, for example in the event of twins.

14 67 per cent of affected families receiving legacy benefits are in work; 57 per cent of affected families receiving UC are in work.

The two-child limit is shaped by harmful stereotypes about life on a low income. It is predicated on the idea that adults choose to apply for UC before becoming parents, but there is no indication that the two-child limit shapes decisions about employment or family size (Reader et al 2022, and Patrick et al 2023).

Social security is the only public service where access is denied to some children based on the number of siblings they have, and on this matter the UK is an outlier in Europe. (Stewart et al 2023). It's hard to imagine much public support for policies that would prevent a child from borrowing a library book, accessing medical care or attending nursery or school on the basis that they had older siblings who had used the same public services.

Our understanding about the importance of the early years of a child's life for their longer-term development has grown over recent years (HM Government 2021). Consigning larger families to poverty undermines wider, evidence-based policy efforts to support children to have the best start in life.

The benefit cap

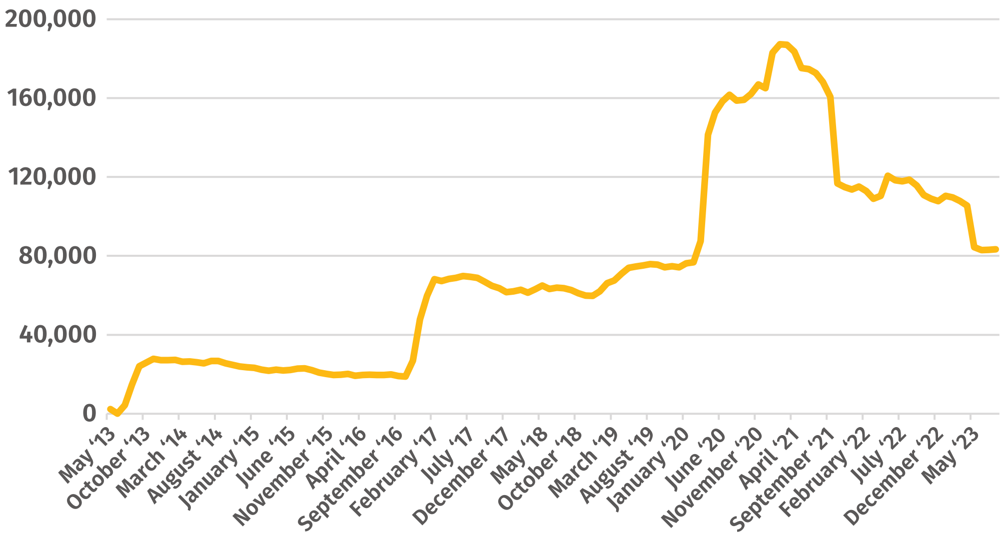
> ***'Before starting employment after my late husband died, we were capped on benefits. The cap barely covered our rent let alone any other outgoings such as food and utilities.'***
>
> **Aurora, Changing Realities participant.**

The benefit cap limits the maximum amount of social security household can receive across the benefit system.[15] It disproportionately impacts families with children, particularly single-parent families, who made up 69 per cent of capped households in 2023 (DWP 2023d) and have some of the highest poverty rates (JRF 2024).

The cap was increased in 2023, for the first time since its introduction, reducing the number of claimants affected to 83,000, or 1.2 per cent. But the impact on these households is substantial, averaging £51/week. (DWP 2023d).

FIGURE 1.4

Around 80,000 households are affected by the benefit cap, falling from a peak of over 180,000
Number of households claiming UC/HB affected by the benefit cap



Source: IPPR analysis of DWP 2024c, 2024d

15 It is set at £2,110 a month in London and £1,835 outside of London. There are some exceptions such as those in receipt of disability benefits, or whose household earnings exceed a threshold of £722 a month.

Capped households will not benefit from uprating, or the strengthening of local housing allowance. Combined with the withdrawal of cost of living support next year, this will mean these households suffer colossal real-terms falls in their income in 2024/25. Like the two-child limit, the benefit cap erodes the link between need and entitlement within our social security system (Patrick et al 2023), failing to protect families from poverty.

Housing support is often not commensurate with living costs

Private renters

1.5 million households on UC live in the private rented sector (PRS), around 29 per cent of the total UC caseload (DWP 2024a). The amount of support they can claim for housing is determined by the local housing allowance (LHA) for their area, alongside the number of children they have. Single adults under 35 are only eligible for the shared accommodation rate (SAR), intended to reflect the costs of renting a room in a house share.

These allowances have been frozen in cash terms since 2020, and the number of households experiencing homelessness has increased sharply since (Crisis 2023). This brings costs to the state, with local authorities spending 1.74 billion on temporary accommodation in 2022/23 (LGA 2023).

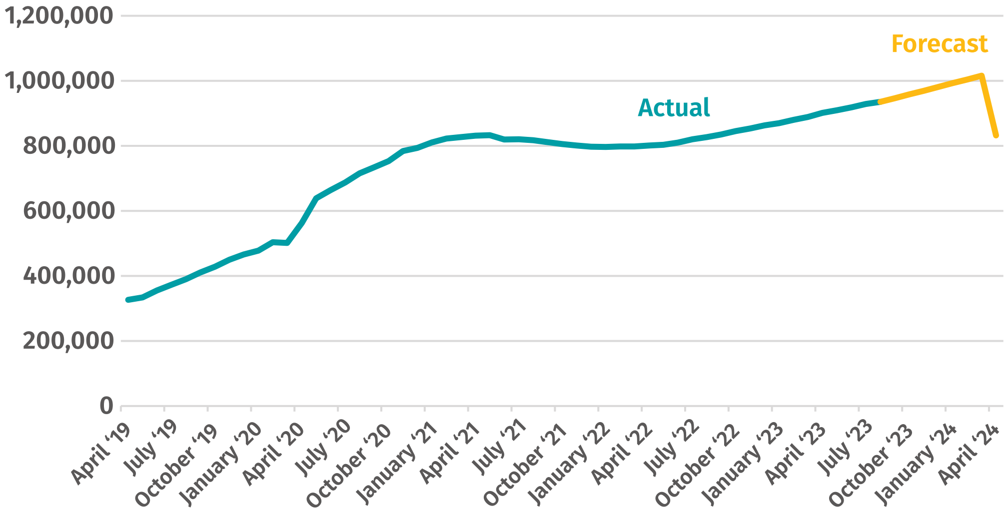
They are due to be increased on a one-off basis in 2024. While this will provide welcome relief for households hit by steep rent rises, many households will continue to face shortfalls between their rent and financial support, which can have severe impacts on household finances. This is particularly acute for those under 35, who are over 50 per cent more likely to experience a shortfall than those on higher rates. (IPPR analysis of Shelter 2023)

We estimate that even when LHA is unfrozen, over 800,000 households on UC will continue to face shortfalls[16] – while 30 per cent of private rented sector homes in an area may be affordable under LHA rates, those properties may not be available.

FIGURE 1.5

Shortfalls in housing costs will remain widespread after LHAs are unfrozen

Actual and projected households on UC with shortfalls in support for housing costs



Source: IPPR analysis of DWP 2024a, OBR 2023b

16 Modelling assumes overall caseload growth in line with OBR projections. It projects the progression of the per centage of households lacking coverage under LHA until April 2024, followed by a subsequent decline to the per centage seen at the point LHA was last unfrozen. Does not include Housing Benefit claimants.

We expect that the situation will deteriorate as local housing allowance rates are frozen again from April 2024, leading the rates to become divorced from reality once again. As an indication of how severe the problem can become, previous analysis in Wales found that by February 2023 just 1.2 per cent of advertised rental properties were affordable under LHA (Bevan Foundation 2023).

Social renters

In the social rented sector, over 500,000 households on UC and housing benefit are affected by the Removal of the Spare Room Subsidy, also known as the bedroom tax (IPPR analysis of DWP 2024a 2024b). This policy reduces housing cost support where a household is deemed to have surplus rooms.[17] As an illustration, a tenant with a spare room paying £100/week rent would lose out on support worth £61/month.

> ***'I do currently get bedroom taxed… I do find this unfair as it is an extra way to tax poor people, and I know it is to try and force people to move into smaller houses to free up council houses but in the current economy people cannot do that and there's not enough council houses for the swaps that they think could magically happen.'***
>
> **Roxy, Changing Realities participant**

The policy was intended to encourage households to move into more appropriately sized properties, but these are often not available (Crisis 2022) - particularly for those who may need adaptations to their home.

The system provides less support for young people, despite them facing similar costs

Claimants under 25 receive £61 less a month on UC than older claimants, despite facing similar costs.

One rationale offered for this is that under-25s could be living with family (OPFS 2021), thus facing lower living costs, but this argument fails to recognise that:

- For many young people, the option to live at home isn't available, either through lack of space, fractured relationships or significant pressure to live independently.
- The largest saving from living at home would be in rent – but someone living at home wouldn't qualify for housing costs support. Claimants living with parents would also face non-dependent deductions from their UC, reducing their entitlement.
- Individuals living at home may be expected to contribute informally to bills and rent.

A second argument in favour is that under-25s command lower wages and so receive correspondingly low levels from social security; but young people face higher levels of poverty, and mirroring an income disparity in UC only exacerbates that disadvantage (DWP 2023b).

- **We recommend DWP should end both the two-child limit and benefit cap** as a cost-effective way to target support for the hardest pressed families.

  We estimate this would lift 400,000 people out of poverty, including 300,000 children, at a cost of £3.3billion in 2024/25.

- **We recommend DWP should remove the bedroom tax** at a cost of £600 million per annum. This would directly lift 50,000 people out of poverty.

17 The reduction is 14 per cent if the household is deemed to have one spare bedroom and 25 per cent if they are deemed to have two or more spare bedrooms.

- **We recommend the next government should pin LHA to the 30th per centile of homes for rent** (meaning LHA would be adjusted each year to keep up with the lowest 30 per cent of homes to rent in an area), through legislation, offering renters some protection from rising rents; **and should conduct a housing support review**.

  It should assess the implications of LHA policy on the availability and affordability of homes for low-income families in specific areas. Covering 30 per cent of the market is ineffective if no homes are available at those rates. The government should consider adjusting LHA, and reconsider use of the shared accommodation rate, in areas with acute issues of availability and affordability.

  LHA was introduced to constrain government spending, but this could be achieved more effectively by reducing the number of lower-income households in the private rental market altogether. The government should review the costs and benefits of expanding social housing, where return on investment is not only social but also fiscal, given the large ongoing costs to government of paying benefits to private landlords. Future IPPR work will explore this further.'

- **We recommend the next government align the benefit rates paid between under-25s and over-25s** in UC, jobseeker's allowance, employment and support allowance and income support. We estimate this would lift 50,000 people out of poverty, at a cost of £1.2 billion in 2024/25.

3.
GOAL 2: SUPPORT THAT OPENS UP OPPORTUNITIES FOR SUSTAINABLE, QUALITY WORK AND CAREERS

Many people on low incomes risk punitive benefit sanctions if they don't meet requirements to prepare or look for work. This means that employment support is characterised by an unequal power dynamic, with all interactions between claimants and advisers underpinned by the threat of the loss of social security income if the conditions of benefit receipt are not met. This is exacerbated by elements of UC design which limit work incentives.

AURORA'S EXPERIENCES OF MOVING IN TO WORK, AND FACING IN-WORK CONDITIONALITY

Aurora is a single parent of two children, in receipt of universal credit, and a participant in the Changing Realities project.

'When I found myself searching for work, I did not feel in any way supported by the job centre … During appointments, my allocated job coach would briefly scan my online job search journal and ask if I'd been successful in obtaining any job interviews. There was seemingly little interest in actually helping me to find a job: even when I enquired about suitable roles available, I was told to search online and complete the journal.

'I managed to find a job. Starting work, I was extremely apprehensive. My outgoings had increased significantly - transportation to and from work plus childcare costs. I honestly do not know how I would have coped if it was not for borrowing money from family to see us through.

'I have now been employed for a year and a half. Although I could have been made a permanent member of staff, with a proper contract, I was given a zero-hours contract due to working within school hours.

'I do not feel I have progressed at work. I am stuck because I cannot commit in the same way.... Despite wrap around childcare, it is still difficult to work full time when your commute can add up to an extra four hours in the day.

'Sanctions are a constant threat. I work 24 hours per week, and new guidelines entail I must work at least 30. I will have to find the extra hours somehow. The alternative is to find another job, but this job was already difficult to come by and my employers have already made allowances for my hours due to childcare.'

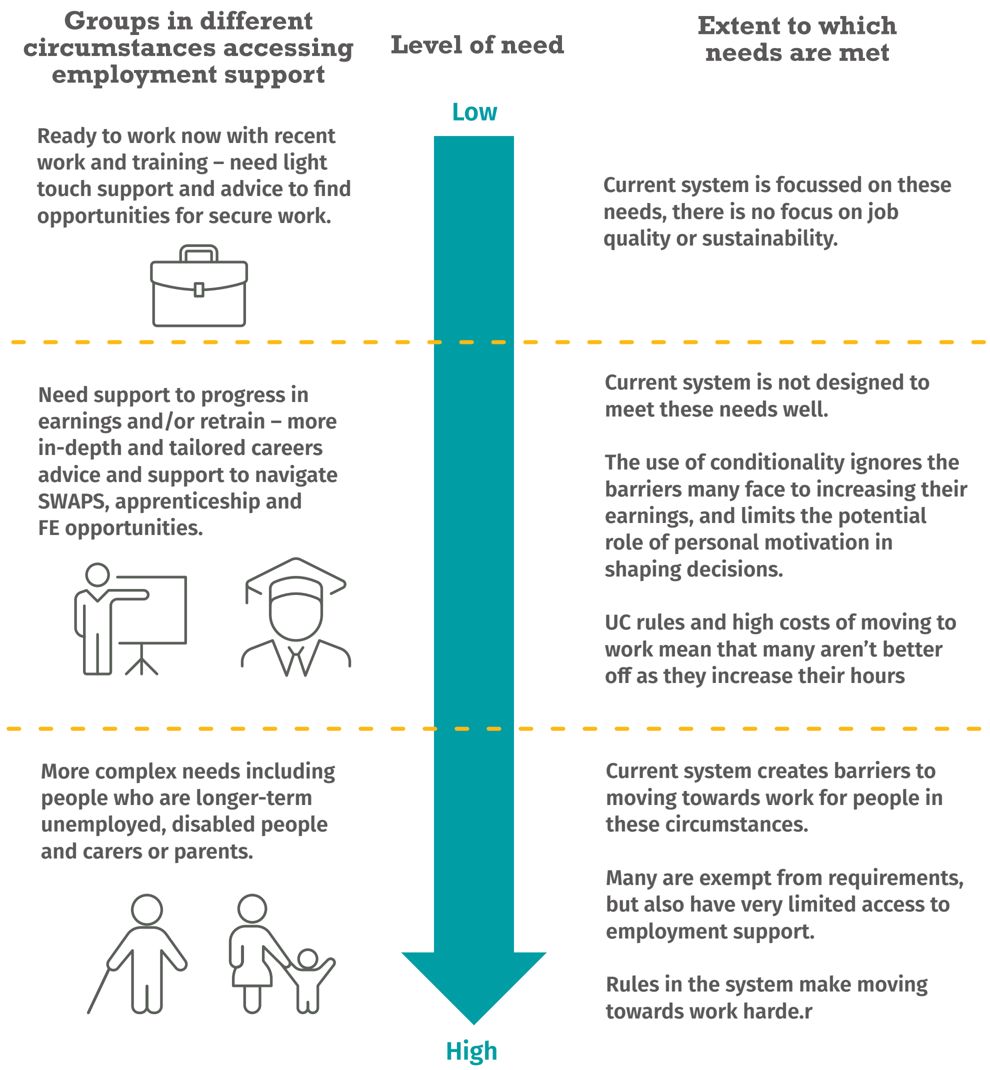
As Aurora's experience so powerfully illustrates, there are three key problems with our employment support system:

1. Relationships and trust at Jobcentre Plus (JCP) are poor.
2. A broken 'any job' model and a short-sighted focus on progression are holding people back.
3. Many people aren't meaningfully better off when they move into work.

Taken together, this means our system is failing to meet the needs of the people who should be able to rely on it.

FIGURE 2.1

Unmet need in our employment support system

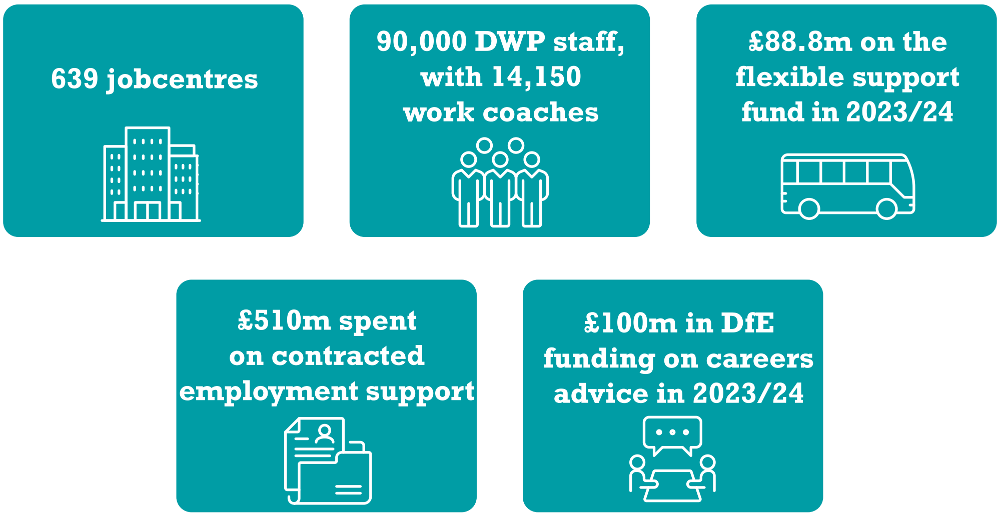


Source: Authors' analysis

The first paper in this series made the case for a new approach to employment support, grounded in local communities. This could help to overcome the poor relationships between claimants and employment services through working closely with trusted partner organisations, including charities, specialist services and user-led organisations.

FIGURE 2.2

The inheritance: DWP employment support



Sources: (1) Davies 2023, (2) Opperman 2023, (3) Clyne et al 2023, (4) HM Treasury 2023, (5) Pursglove 2023, (6) Education Committee 2023

Despite being one of the largest government departments, the DWP has significantly reduced in size since 2010 (Clyne et al 2023). Further budget cuts would actively undermine efforts to address economic inactivity and labour shortages. Over recent years, DWP costs have been increased by the extension of benefit conditionality. With demand rising for specialist support for individuals in and out of work with complex needs, it is vital to ensure that the resources allocated to employment support are targeted effectively and provide value for money.

This section outlines fundamental challenges in our employment support system and outlines immediate priorities to address them.

RELATIONSHIPS AT JOBCENTRE PLUS: LOW TRUST, HIGH PRESSURE

Trust between claimants and work coaches is limiting the quality of support

Work coaches occupy a unique role in claimants' lives. They are often working with people experiencing a crisis or upheaval in their lives. But the current model positions them as low- paid administrators, with such high caseloads that scope to foster relationships, provide targeted support or build connections with other local services is severely limited.

The system hinges on information being shared regularly between claimants and work coaches. Agreeing a plan, setting appointments, reporting on the search for work and accessing other forms of support within the local community are all – in theory at least – at the core of this dynamic.

Where work coaches are aware of a health condition, disability, caring responsibility or experiences of domestic abuse, they are – again, in theory – able to adjust the requirements they set for claimants, and to help them access other specialist services.

But in practice, this degree of collaborative communication requires fostering a greater deal of trust and connection than work coaches have the time or bandwidth to offer.

Each work coach has a caseload of approximately 125 people (NAO 2021), each of whom they see for 10-minute appointments, once a fortnight. Inevitably, this has caused ‘acute rationing of employment support from work coaches to claimants’ (Carter et al 2022) (IES, 2023).

Appointments are short and are typically held in an open-plan environment, surrounded by others (Parkes 2022). Assigned work coaches can often change, and this means claimants may be expected to share the same personal and sensitive information more than once, with none of the continuity of support that could foster a strong relationship, and no opportunity to build a shared plan that reflects an individual’s needs.

This directly impacts both the nature of support claimants receive, and the risk that they will face a sanction.

Conditionality is counterproductive

Though there have been successive evaluations of employment support at JCP, these have not explored work coaches’ ability to proactively nurture working relationships with individuals on their caseload. This is not considered a core priority of their work.

Instead, conditionality has been continually extended and intensified, but this has not led to any meaningful changes in job entry or progression outcomes. This ignores extensive evidence that voluntary engagement in employment support leads to better results (Campbell et al 2023) and that sanctions can cause serious harm, be ineffective in supporting work search (Welfare Conditionality Project 2018) and direct claimants towards insecure work (Jones et al 2024, Haapanala 2021).

> ***‘They kept making appointments for me to attend in person. When I explained I was starting a new job and couldn’t attend … they sent me quite a snotty message stating they rearranged it for Thursday, and if I do not attend, the sanction will stand. This is just a stress that nobody needs whilst trying to start a new job. It is embarrassing to say ‘I can’t come to work today because I have to attend the job centre to answer some questions’.’***
>
> **Roxy, Changing Realities participant**

Conditionality corrodes relationships between work coaches and claimants, ‘governing encounters’ in highly negative ways (Patrick 2017). In a high-conditionality environment, work coaches are administrators of requirements, with limited autonomy or resource to proactively reach out to and engage with individuals they support, and, perversely, growing responsibility over the extent to which disabled people, in particular, are subject to requirements.

Extending conditionality will actively undermine both goals at the core of this paper: it could have significant adverse impacts on the health and wellbeing of people living in poverty; and it risks undermining the relationships claimants have with their work coach, limiting the support they get to enter and stay in work. These impacts are likely to be particularly acutely felt by disabled people and parents.

Rather than continuing to apply pressure to households on low incomes, employment support should serve as a shock absorber, helping people experiencing a crisis to build financial security and bandwidth to think about the future.

- **We recommend the next government develop a new employment support strategy underpinned by three pillars of relational support.**

Pillar 1: Embed relational support in which individuals accessing support are equal partners

Introduce a statement of rights for claimants

People claiming UC should be provided with upfront information about their rights and illustrative examples of when they can invoke them, including the right to:

- nominate a trusted person as an appointee
- Flex requirements according to need
- request a second opinion if they don't feel work search requirements are reasonable
- ask for discretionary financial support.

This would empower claimants to access support they need, and recast the relationship between the DWP and claimants as one characterised by rights and responsibilities on both sides.

Increase co-location of work coaches with trusted key services

There is still a pervasive stigma attached to JCP sites. They serve large areas, meaning long and expensive journeys for many claimants, and many don't offer physical spaces conducive to building constructive relationships. There is an established evidence base which strongly supports co-location of specialist services around a particular community or group (Mallick 2022).

Building from the existing youth hub model established in many parts of the UK, the DWP should work in collaboration with local government and the charity sector to locate work coach advisers alongside other trusted community services, including community groups and providers of housing and debt advice.

CASE STUDY: YOUTH EMPLOYMENT GATEWAY

In 2013, Liverpool City Region set up the Youth Employment Gateway (YEG) to support young people facing challenges entering and staying in work.

It offered one to one support alongside a range of other in-house and external support. YEG advisers worked closely with employer engagement teams on job matching for YEG participants; developed new employability courses in-house; made links with a wide range of external providers, including for health and wellbeing; and enhanced collaboration with JCP to ensure the co-ordination of support.

By September 2017, all the targets for Phase 1 of YEG – including starts on the programme, job starts, and six-month sustained job outcomes – had been met. Crucially, 53 per cent of survey respondents who had entered work said that YEG had played a role in their achievement of this outcome, and 53 per cent said that YEG had played a role in helping them to stay in work. YEG participants who were more disadvantaged (as measured by length of unemployment on joining the programme) were less likely to achieve a job outcome on YEG, but those who did were more likely than other participants to say that YEG had played a role in helping them to achieve this job outcome (Ray et al 2018).

Enable greater privacy for work coach appointments

To help build mutual understanding between claimants and work coaches, and encourage the sharing of sensitive information where relevant, claimants should proactively be offered access to a private space or telephone call for work coach appointments.

Pillar 2: Offer tailored support to unleash potential

Support must reflect the reality of people's lives, and adapt to their circumstances. This means addressing barriers at their root and recognising that work search might not always be the most appropriate course of action. It also requires JCP to be well integrated with other service providers to provide support beyond the remit or capacity of DWP.

Co-commission charities to deliver specialist support with local authorities and local NHS.

DWP should work with local government and the NHS to design and commission an expanded offer of specialist support for people facing additional barriers to entering and staying in work. This should include a focus on older people, carers and single parents as well as disabled people and those living with long-term health conditions, and harness the expertise and networks of organisations already working closely with these communities.

Introduce complex needs alerts so that work coaches can provide targeted support

DWP should develop a system of alerts between JCP and relevant local authorities. With a claimant's agreement, this could be completed when claimants with complex needs access local authority services, and shared with the relevant JCP.

This alert should be added to the claimant's UC journal and should outline the nature of any complex needs and access requirements, and provide emergency contact details. If the claimant then contacts the JCP, the work coach will have key information and context which could help shape the UC process in a way to better support the claimant.

Pillar 3: Deliver support that is enabling, not punishing

We need an employment support system that increases people's options, unlocks their motivations and allows individuals to fulfil their potential, with a menu of support to make this possible, particularly for vulnerable groups. This means scaling back the use of pressure and punitive sanctions.

Follow the evidence on conditionality

Participants in the Changing Realities project have described UC appointments as needlessly rigid. Individuals reported facing a sanction when they didn't hear their phone ring, or, in the case of Roxy above, when they couldn't attend a meeting because they were starting work. This degree of pressure hampers effective employment support, rather than promoting it.

The next government should undertake a comprehensive review of the use of conditionality and should move to using sanctions as a last resort, with a greater focus on proactive outreach and engagement to build relationships with claimants.

Introduce a genuine 'yellow card' sanctions system

A high proportion of sanctions are due to missed telephone appointments, so it is crucial that claimants are afforded an opportunity to communicate where there is a legitimate reason for this, and to rearrange to an appropriate time.

Where requirements are not met, instead of a financial penalty, claimants and work coaches should hold a focussed 'review meeting' to discuss the claimant commitment and to review whether it is or remains appropriate (Parkes 2022). A similar scheme has previously been proposed by Citizens Advice (Citizens Advice 2015).

THE OUTDATED 'ANY JOB' MODEL

Driving people in crisis to apply for unsustainable work

Our employment support system encourages people to prioritise accepting insecure work today over seeking sustainable, well-paid work that aligns with their personal circumstances. JCP follows a now well-established 'ABC' approach – 'Any job, Better job, Career' – but there is no evidence it has worked.

Applying for 'any job' is not viable for many people, particularly people with health conditions or caring responsibilities, who may need flexibility on working hours or location. Others may have qualifications and experience which mean taking 'any job' would represent a very poor skills match.

While the DWP has reduced its use of targets (NAO 2019), it appears that in less overt ways, the system continues to encourage work coaches to prioritise short term results. The department is trialling a scheme involving a league table for JCP sites, and offers £250 in gift vouchers to work coaches who achieve high levels of job outcomes (BBC 2023). These are awarded without regard to the pay level, security or longevity of a role. Evaluations have found that unofficial targets appear to be influencing employment support guidance and referral decisions (IES 2023). Too often, this can mean referrals and advice are shaped by the needs of the system, rather than of the people accessing support.

This is compounded by the inadequacy of our social security system: UC is failing to protect people from poverty. This, along with pressure from work coaches to meet requirements, means that people on UC are actively encouraged to take on work that is very low paid or insecure, with a location or working pattern that is incompatible with their health or caring responsibilities, or with such high transport or childcare costs that they are no better off financially.

Not only does support misaligned with individual needs limit meaningful engagement, but it can also lead to an inefficient system that fails to meet the needs of employers or the wider economy. (Wilkes and Parkes 2023)

Progress is not a five-day week for all

Because earnings are the sole metric used to measure progression in UC, working an extra shift in a minimum wage job constitutes 'progression', while taking on additional responsibilities or training does not. Despite the framing of the ABC model, there is no evidence that people on UC are being supported to access **better** work.

Benefit conditionality in work has recently been extended, despite many workers on low paid, casual contracts having very little influence over their working patterns.

Opportunities for progression from part-time and low paid work are limited (In Work Progression Commission 2021). In sectors like hospitality, retail or social care, structures are flat: the chance of a promotion is low, and the earnings gain from taking on additional responsibilities is often negligible (Skills for Care 2023).

This means many on low incomes will need support with training or development from outside their organisation. However, the current system is not designed to meet their needs. Work coaches have limited access to information about the skills needs of specific sectors and professions, or about training courses available in their area (Gable 2022).

Employer investment in training is generally low in the UK (Tahir 2023) and particularly so for lower-paid workers. However, it is difficult to access training while on UC. People in the 'all work requirements' group could face a sanction for taking on training[18], and there is no income support for people studying a Further Education course. People on very low incomes are forced to choose between studying and being able to access essential financial support.

Many of these problems were identified through the In Work Progression Commission report (2021), which included proposals to facilitate training for workers and discussions about progression with employers. These proposals warrant attention from the government if we are to end skills shortages and support people to move on in their careers.

Recent IPPR research with migrants in Yorkshire found that career progression is not always linear, and that 'progression' can have deeply personal connotations: for some it may represent greater earnings, while for others it could be about returning to an occupation after a personal setback (Qureshi et al 2023).

We need a more personalised approach to progression – one that supports people into work which aligns with their skills, experiences and caring responsibilities and is sustainable over the longer term – and the next government should shift to an approach to one that measures outcomes based on these priorities.

- **We recommend the government replace a scattergun 'any job' model with a laser focus on helping individuals secure the right job for them.**

  Work coaches and employment support providers should be given the autonomy to offer more personalised support, helping individuals find a job that reflects their skills and experiences and aligns with their personal circumstances. This should be prioritised over and above securing immediate earnings in the early stages of a claim.

  Over the longer term, this will require building employment advice capability, including by designing a new, higher-skilled and more autonomous work coach role.

  In the short term, DWP could drive real improvements in the quality of relationships, continuity of support, and capacity for work coaches to build networks with other local services through reducing work coach caseloads. Making this happen requires:

  - Reducing work coach caseloads to a limit of 70.
  - A comprehensive and in-depth conversation and needs assessment to identify claimants' skills, experiences, needs and preferences in searching for work.
  - Work coaches actively prioritising and promoting opportunities which embed learning and development, including sector-based work academies and apprenticeships.
  - Replacing existing incentives to encourage work coaches to focus on
    - sustainable work, by measuring the duration of employment outcomes.
    - work paid above minimum wage, through measuring hourly earnings.
    - secure work, through recording core details on employment contracts.
  - More regular monitoring of feedback from service users about the relevance and suitability of opportunities proposed by work coaches.
  - More explicitly accounting for personal health, caring and parental responsibilities when identifying work and training opportunities.

  Government should explicitly move away from the 'any job' model in communication with both claimants and employers.

18 If this meant they weren't able to spend the equivalent of a full-time job on their work search.

- **We recommend DWP should train and empower work coaches to broker opportunities for work and training.**

  Looking beyond the 'ABC' model will involve a degree of brokerage, with work coaches matching candidates to roles, and proactively identifying opportunities for development and progression with employers. This will involve working much more closely with employers, to learn more about their needs and to negotiate and advocate on behalf of the individuals work coaches support.

- **We recommend DWP and local authorities should collaborate to embed good work within local economies.**

  Local government and JCP should co-ordinate efforts to influence the quality of jobs available within their local economy. Many local authorities are already using procurement to influence employment practices within their supply chains, but there is real potential to use the Social Value Act, and to attach conditions to strategic investment in industries and local communities, to embed in-work training and progression opportunities.

- **We recommend the next government trial a means-tested training grant**, independent of the social security system, for individuals on low incomes accessing further education courses. This should be funded through the Department for Education, and could be trialled for high priority skill areas in the first instance.

- **We recommend the next government introduce a What Works Centre on Progression at Work** to build evidence about what works in unlocking progression. This would gather examples, from the UK and internationally, of measures that have been effective in supporting individuals on lower incomes to take on additional responsibilities and build new skills at work; and commission trials to test innovative approaches in sectors and areas where progression has been limited.

- **We recommend the next government trial incentives for employers to introduce flexible working and in-work training.** This could include resourcing job share matching services, or events focussed on industries where take up of flexibility is low; supporting extensions of four-day week trials; or putting resource into evaluating specific flexible working models.

MAKING WORK PAY

> ***'Just got a new job so feeling hopeful, but worried that all my money is going to be cut…and going to be worse off'***
>
> **Benny, Changing Realities participant**

Too often, claimants are not meaningfully better off as they start work or increase their earnings; and errors in payment systems can lead to unpredictable incomes.

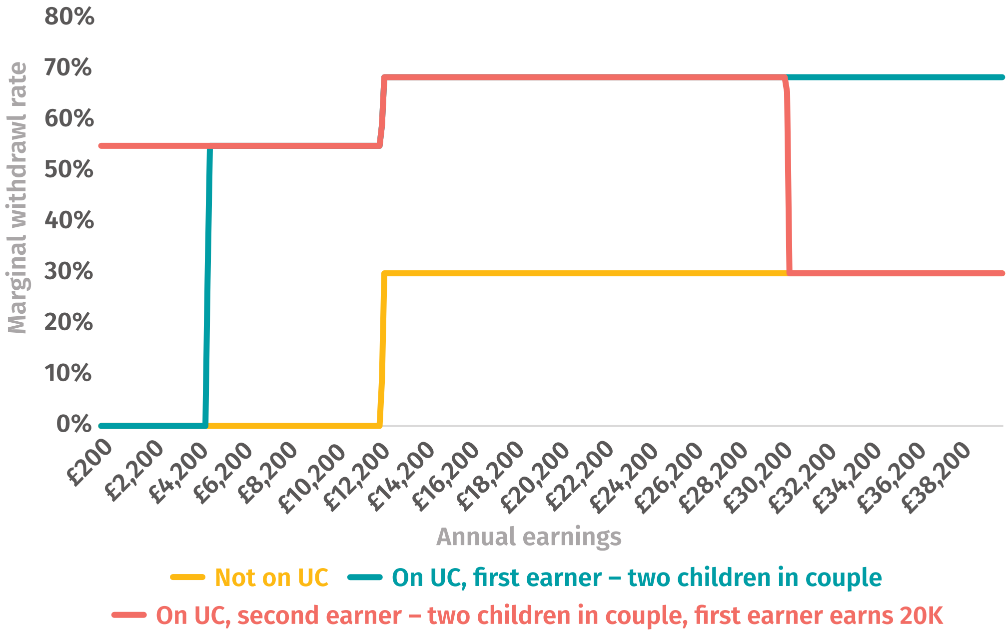
This has long been an issue with our social security system, and UC was initially sold as a reform to help 'make work pay'; but fundamental design features work against this objective. The majority of claimants lose UC support as soon as they start working. Despite some improvements, the taper rate that determines how it is withdrawn is unmanageably steep: for every pound they earn, they face a benefit withdrawal of 55 pence.

Some have a small work allowance – an amount they can earn before UC is withdrawn – but these are determined at a household level, which means that a prospective second earner will not get an allowance if their partner has already ‘used it up’. These effective rates of income withdrawal are much higher than those faced by people not claiming UC.

FIGURE 2.3

Workers claiming UC face much higher levels of income withdrawal than other workers paying income tax and national insurance

Effective withdrawal rates in the tax-benefit system for first and second earners.



Source: Author’s analysis

These high withdrawal rates are only one element of the financial disincentives to work some face:

- Households entitled to higher benefit payments (for example, larger families or those with higher housing costs) may have sufficient earnings that they pay income tax and national insurance, resulting in a combined tax-benefit withdrawal rate of 69 per cent.
- When incomes increase over a certain threshold, households lose council tax support and other ‘passported benefits’.[19]
- Entering and increasing work brings costs, such as childcare or commuting costs. High childcare costs and an inflexible support system further penalise working more, and the available support through UC only partially covers these costs (Statham et al 2022).

Income volatility and Real Time Information

The complexity of the UC payment system means that earned income can have sudden, hard to understand impacts on future UC payments. Workers can also face significant administrative issues, often resulting in dramatic changes to their financial support which do not always make sense.

UC is assessed monthly and adjusted to reflect earnings, but this may not reflect the frequency or cycles over which workers are paid, and so these adjustments can lead to UC being incorrectly withdrawn, as in Edison’s case:

19 Such as free prescriptions or discounted travel.

> *'This past week has been difficult. Our universal credit was drastically cut due to me being paid twice in an assessment period - they took my income which was made over eight weeks to be over four and assumed I earn more than I do, which if I did I wouldn't depend on the benefits we get to see us through day to day. Trying to find a way to get us through the next three weeks is proving unsuccessful, draining and scary.'*
>
> **Edison, Changing Realities participant.**

When employers don't report pay information to DWP on time, this can also lead to incorrect and unpredictable UC payments. Because payment calculations are automated, the routes to correcting these issues are time- and resource-intensive.

'Trying out' work brings perceived and tangible risks of a drop in financial support

The government has recently recognised the concerns of some disabled people with Limited Capability for Work and Work Related Activity (LCWRA) status: that entering or trying work could lead to new mandatory work requirements, alongside losses in UC that outstrip income gains. The planned 'Chance To Work Guarantee' – that people with LCWRA keep their status as they move into work – would prevent this, but is not due to be implemented until 2025 (DWP 2023e).

A further risk is that workers leaving a job voluntarily without 'good reason' face a three-month sanction, which disincentivises trying new working patterns or sectors.

- To make work pay, and improve the experience of those in work on UC, **we recommend a future government should introduce a second-earner work allowance and move the taper rate towards 50 per cent.**

  To improve work incentives, second-earner parents should be granted a work allowance at the same rate as the first parent. The taper rate should be reduced to 54 per cent with an aim to reach 50 per cent. We estimate both changes together would cost around £3.3 billion and lift 200,000 people out of poverty.

- **We recommend DWP bring the 'Chance to Work Guarantee' forward to 2024 to reduce the risks from trying work.**

  DWP should end sanctions for voluntary work exit for claimants facing complex needs. For other claimants, the severity of the sanction should be reduced, and the process for challenging a sanction by justifying the claimant's exit from employment should be simplified.

  Over the longer term, DWP should step up their support for claimants who may need support to stay in work, and ensure work coaches are not pushing them into inappropriate work in the first place.

- **We recommend DWP introduce a fast-track solution for Real Time Information errors.**

  Large fluctuations in UC payments should be flagged in the system for human review, and caseworkers should be given flexibility to adjust assessment periods to stabilise payments.

  Where this fails, a rapid correction mechanism is needed, with an established process for resolving Real Time Information errors. At present neither work coaches nor employers can resolve this, whilst claimants are left without appropriate financial support.

Taken together, these changes will begin the reforms needed to make sure that UC really does make work pay. These changes must be part of a longer-term programme of reform of both our employment and social security systems.

CONCLUSION

This report has set out a clear, evidence-based social security agenda for the next government. It includes costed, short-term proposals to begin the transformation of our welfare state. They work with the realities of claimants' everyday lives, and their own ambitions for themselves and their families.

We close this report with reflections from Caroline, a working single parent who wants better for herself and the millions of others just like her. We hope the next government will rise to this challenge.

> ***'Much of this report is common sense to me and, I'm sure, many others.***
>
> ***Sanctions, the five-week wait, an 'any job will do' approach and a sense of being 'on my own' with work coaches merely doing a job and not providing personalised support. How can we make people's lives better if children, disabled people, and families feel they are being punished?***
>
> ***We saw a temporary £20 a week uplift during Covid due to rising costs. These costs have never been reduced. In fact, they have risen further. So the £11 top up suggested in this paper would go a long way in reducing the impact of poverty within households. Enabling people to have dignity, be able to buy their own food or heat their homes.***
>
> ***We need to listen to people, give them a hand up and the ability to see a way out.***
>
> ***The ideas set out in this report could be the change we need to make that happen.'***
>
> **Caroline, Changing Realities participant**

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APPENDIX: SOCIAL SECURITY SPENDING OPTIONS

To inform the social security proposals reform developed through this paper, we used a series of metrics to consider the impacts and feasibility of each proposal.

This involved measuring the costs and poverty impacts of all recommendations, drawing on IPPR's tax-benefit model, as well as accounting for the extent to which reforms may support households experiencing disadvantage, and people living with complex needs.

We also consulted the project advisory group and anti-poverty sector organisations - gauging the extent to which organisations would prioritise different reforms, and also testing our assumptions.

Each proposal has been assigned a red, amber or green rating across all criteria.

TABLE A1

Costs and poverty impacts for recommendations considered in this report

	Cost (£bn)	Relative poverty impacts	Public and political support	Ability to implement	Distributional impacts	Work incentives	Support for groups with disadvantage
Remove two-child limit and benefit cap	3.3	300,000					
Reduce the taper rate to 50p	3	200,000					
Introduce a second earner work allowance equal to the first earner for parents and reduce taper rate to 50p	3.3	200,000					
Increase lone parent work allowances							
Introduce work allowances for non-disabled households without children							
Equalise under-25 and over-25 benefit rates in UC and legacy	1.2	50,000					
Give all carers higher amounts of standard allowance	<1						
Increase standard allowance by £50/month with commensurate increase in legacy benefits	4.9	350,000					
Remove bedroom tax	0.6	50,000					

Source: Authors' analysis

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