

The Programme's Not Working

Experiences of homeless people on the Work Programme



Foreword

The Government's flagship initiative of its welfare reform agenda was designed to support people who are at risk of becoming long-term unemployed to find work. Intended to be delivered across a range of providers including private, public, voluntary and community organisations, it should "allow the people who work at the coalface to...provide more personalised help where that works for the individualⁱ."

When the Work Programme was launched, providers were told that they were "expected to handle the journey into work and the early stages within a new job – when those hardest to help are in the most fragile positionⁱⁱ."

As charities working with homeless people in England, we want the Work Programme to work. Many of the people that we work with are effectively written off by government services. We know that work is an effective route out of homelessness. We also know that many homeless people need a second chance to get skills and a job.

This report highlights the experience of homeless individuals who are on the Work Programme. Since the inception of the Programme, Crisis, Homeless Link and St Mungo's have been researching what types and level of service our clients have been receiving in the Work Programme from Prime Contractors and their supply chain.

There are occasional glimpses of hope where individual advisers are working hard to provide personalised support, but there are few examples of people with an experience of homelessness who have been helped into employment by the Work Programme. While the Work Programme's design acknowledges that some people require more support to get into work, our research shows that in practice this is not systematically happening. The Work Programme is failing to engage with people who are the most excluded and furthest from the job market.

This report contains truly shocking personal accounts. People who are homeless are telling us that they are receiving dire support, or feel abandoned by their Work Programme provider. In the worst cases we have uncovered, people have unfairly lost their benefits, making it even harder for them to try and get on with their lives. Our biggest concern is that in its current form the Work Programme is not reaching people who are furthest from the job market and desperately wanting to work. Work Programme Prime Contractors should be helping people reach a point where they are able and ready to enter into work by developing basic skills and recognising the value of pre-employment skills. This is the only way it can really help those who are vulnerable and long term unemployed.

We firmly believe that without immediate action the Work Programme will continue to fail people who are homeless and who are furthest from the labour market – some of the very people this Government has set out to help. We are calling on the Government to take action now.

Leslie Morphy, Chief Executive, Crisis
Rick Henderson, Chief Executive, Homeless Link
Charles Fraser, Chief Executive, St Mungo's

Key findings

This section sets out our findings from the surveys and talking with clients. Explicit recommendations for agencies are set out later in the document.

- Jobcentre Plus is not identifying people who are homeless, and subsequently people who are homeless are not placed in the correct Work Programme payment group. Therefore providers do not get paid extra to offer more intensive support.
- The barriers to employment faced by many people who are homeless and on the Work Programme are not being identified. We found that 58 per cent of homeless people had not been talked to by their Work Programme adviser about their barriers to employment.
- The Work Programme is not delivering the individualised, specialist support that people who are homeless need to get into employment. We found that despite being on the Work Programme 64 per cent of homeless people didn't feel more optimistic about gaining employment; and only 22 per cent of those surveyed with drug and alcohol problems received helpful advice and support from their Work Programme provider in these areas.
- Sub-contractors are not being used to effectively provide specialist support to people. Organisations have already withdrawn from the programme, and there is currently no specialist provider of homeless employment support available for people on the Work Programme in London.
- Standards of service are often poor, 58 per cent of homeless people surveyed did not feel they were treated with dignity and respect by their Work Programme provider. Many of the people that we spoke to had been largely ignored by their providers.
- 22 per cent of people surveyed had their benefits sanctioned. We are extremely concerned that a consequence of sanctioning may be to unfairly punish those who face the most severe barriers to employment.
- Homelessness charities are effectively subsidising the Work Programme. The perverse consequence of this is that when charities support homeless people into work, without themselves being part of the Work Programme, the Prime Contractorⁱⁱⁱ will ultimately be paid thousands of pounds for a job outcome they did not contribute towards. This is a terrible waste of tax payers' money.

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What we do

Crisis is the national charity for single homeless people. Our innovative education, employment, housing and wellbeing services address individual needs and help homeless people to transform their lives. In 2011-12, Crisis Employment Services Team supported 423 clients into paid employment, and 305 into volunteering. We are dedicated to ending homelessness by delivering life-changing services and campaigning for change.

Homeless Link is the national umbrella organisation for front-line homelessness organisations in England. With over 500 members, we work to improve services for homeless people and campaign for policy changes that will help end homelessness.

St Mungo's provides accommodation for around 1700 people who are homeless every night. We also run 13 specialist skills and employment programmes that help hundreds of people to gain qualifications, volunteer and move into employment every year.

Why we've written this report

Work can be an effective and sustainable route out of poverty and homelessness, and we wanted to see to what extent the Work Programme is helping single homeless people to find work.

Lack of work is a major cause and consequence of homelessness, eroding skills and self-esteem and acting as a practical obstacle to finding and keeping a home. Training and education can give homeless people the skills and confidence required to get them back on track and help them prepare for, find and keep jobs. In order to find out whether the Work Programme was working for homeless people, national surveying was undertaken to investigate what impact the Work Programme in England is having on people who are homeless. We spoke to people who are homeless across England; 81 people responded across two surveys, one by Crisis/St Mungo's and one by Homeless Link; and we undertook 20 in-depth qualitative interviews with people experiencing homelessness and who are or have been on the Work Programme.

The report sets out our findings and makes a number of recommendations around how the Work Programme can be made to work better for people who are homeless.

The Work Programme in Context

In June 2011 the Department for Work and Pensions (DWP) introduced the Work Programme^{iv} to address long-term worklessness in the UK. Its design builds on previous programmes, whereby a range of providers are paid by the DWP to deliver employment support.

A widely accepted limitation of previous initiatives was that providers could be incentivised to work with the easiest to help, rather than with those who required more intensive support to move into employment^v. The Work Programme incorporated a number of elements designed to address the shortcomings of previous Government funded welfare to work schemes. The most significant changes are set out below.

- The Work Programme includes a stronger payment by results (PBR) element than any past programme of its size and type in the UK.
- The type of benefit claimed is used to determine how far away from the labour market someone is and how much providers will receive for supporting them into work. Additional consideration is given to some characteristics that indicate disadvantage, including homelessness^{vi}.
- A second innovation is the extension of the “black box” delivery model in which providers are free to design services that they believe will be effective without being tied to a one-size-fits-all approach.
- A third innovation is to heavily ‘back-load’ the PBR structure^{vii}. A relatively small up-front payment to the provider is made when a person joins the programme, with subsequent payment once employment has been secured and sustained for period of at least three months. The PBR element comprises between roughly 90 per cent and 95 per cent of potential provider income per individual.

The steps taken by DWP to address problems with previous initiatives raised expectations that the Work Programme might work for people who are homeless and other people with particular vulnerabilities and disadvantages.

Homelessness and work

In 2011, 2,181 rough sleepers were counted in one night in England^{viii}. In total 5,678 rough sleepers were encountered by outreach teams in London between 1 April 2011 and 31 March 2012^{ix}, an increase of 43 per cent compared with 2010/11.

There are 41,449 bed spaces for single homeless people in England, and there are tens of thousands more hidden homeless people.

There are no national statistics on the number of homeless people in work. A 2012 survey of 1468 of St Mungo's clients found that just six per cent are in paid employment. However, previous research has indicated that 77 per cent of homeless

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people surveyed want to work now, and 97 per cent want to work either now or in the future.^x

It is simplistic and inaccurate to conclude that homelessness is simply a housing problem. Whilst problems directly related to a lack of stable housing make it more difficult for people who are homeless to work, there are a range of other issues that often combine with homelessness to act as significant barriers to employment.

Some of these barriers are shared by a large proportion of people who have been unemployed for an extended period of time, such as a lack of experience, poor qualifications and low levels of basic skills. For example, a St Mungo's survey in 2010 found that 52 per cent of clients needed literacy support to find work. Crisis also found that 60 per cent of homeless people have low or no qualifications, putting over 80 per cent of job vacancies beyond reach. And 37 per cent of homeless people have no qualifications whatsoever.^{xi}

People who have experienced homelessness are more likely to also face barriers relating to substance use, mental ill-health, domestic violence, low confidence, low self-esteem and aspirations, the stigma of homelessness, difficulty in relating to other people, fluctuating health conditions, a lack of access to computers and the internet, offending histories and institutionalisation^{xii}. However, with the right help, homeless people can be supported into sustainable employment. We hoped that the Work Programme would be an effective delivery model to help some of our most disadvantaged clients.

Key issues

Jobcentre Plus is not identifying people who are homeless

Homelessness is recognised within the Work Programme as a disadvantage that makes it harder for unemployed people to move into work. The programme therefore pays providers extra for getting homeless people on Jobseekers Allowance (JSA) into sustained work.

These extra payments are dependent on Jobcentre Plus recognising people who are homeless and placing them in the correct claimant group.

We have, however, learned from discussions with several homelessness service providers that many people who are homeless - including a number of people who are actually sleeping rough on the streets - are not being identified as such by Jobcentre Plus when they are referred into the Work Programme. Many of the people that we interviewed told us that they didn't think Jobcentre Plus knew that they were homeless.

Alex told us that when giving his address to Jobcentre Plus "I didn't want to put that I live in a bloody hostel!" He didn't want to state that he was homeless as he felt that this may lead to him being discriminated against.

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If people who are homeless are not being placed in the correct claimant group providers are not being paid extra in order to give more intensive support that is required for helping people into work. This undermines a central principle of the Work Programme and brings a risk that providers direct resources away from people who are homeless and towards those who need less help, and are less expensive to support, to enter work.

The barriers to employment faced by many people who are homeless and on the work programme are not being identified

The DWP does not dictate how Work Programme providers assess the barriers that participants face to entering employment. Providers are free to determine their own diagnostic processes. However, our findings suggest that in many cases these processes are not working. Providers are failing to ask participants about the issues that may be making it more difficult for them to find a job. The Crisis/St Mungo's survey revealed that 58 per cent of homeless people had not been talked to by their Work Programme adviser about their barriers to employment.

Many of the people we interviewed told us that even when they discuss the barriers they face, Work Programme advisers tended only to discuss work experience and qualifications. There was very little discussion about health, housing alcohol and/or drug problems and confidence, issues which are more likely to affect people who are homeless.

***Rory** was homeless for several years before moving into a St Mungo's hostel. He doesn't have any job-specific skills but he wants to get a job in gardening. He has dyslexia, is dependent on alcohol and has low self-confidence. He told his adviser that he had a health condition, but didn't feel able to tell them that he is dependent on alcohol. Rory has not had a discussion with his adviser about the barriers to employment that he faces. His action plan does not consider key issues that make it difficult for him to find employment. According to Rory, "The action plan does not consider the problems I have with addiction issues or offending and physical health issues." Rory feels that his interaction with the Work Programme so far has been very unsupportive.*

***Helen** lives in a women's hostel due to a marriage breakdown, and is currently being supported by Crisis. She is in receipt of Employment Support Allowance (Work Related Activity Group). She suffers with kidney stones and is in remission from skin cancer, she also has a bowel condition that means she has to plan her day carefully. She declared her illnesses to her Work Programme provider, but believed they were not interested. According to Helen, "I wanted to look at self-employment and because I have health issues they did not know what to do with me".*

***James** slept rough for five months; he now lives in a St Mungo's project for people who are homeless and have additional support needs. James has serious alcohol issues*

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but has not discussed these with his adviser. He hasn't been asked about his housing situation. "I haven't told them that sort of thing [that I am homeless]. There are a lot of prejudices out there." When asked if he thought the Work Programme would help him to find a job, James replied, "I've been trying for the last five years, I don't think so...it's always the same jobs I apply for, but I never even get a response."

The work programme is not delivering the personalised, specialist support that people who are homeless need to get into employment

The black-box nature of the Work Programme means that providers are given the freedom to deliver whatever type of support they believe to be effective and addresses the individual needs of participants.

Most of the people that we talked to and surveyed have received helpful support with their CV, searching for work and interview training. However, specialist support which addresses individual need is often not delivered. In fact, 64 per cent of those people surveyed by Crisis/St Mungo's didn't feel more optimistic about gaining employment after meeting with their Work Programme adviser; and only 22 per cent of those surveyed by Homeless Link with drug and alcohol problems received helpful advice and support from their Work Programme provider in these areas.

***Tom**, a Crisis client was referred to an English class by his Work Programme provider, even though he had a GCSE in English language. He reported, "They did not look at what I can do but because I was black I was told to do English based on that fact that I was from Africa."*

***Harry** is living in a supported shared accommodation project. He believes that his Work Programme provider treats everyone the same, and that specific needs are not addressed. "I noticed the Work Programme ticks all necessary boxes without concentrating on every case as an individual with different interests and job prospects."*

Harry thought that his difficulties around literacy and numeracy were making it difficult for him to find work. He has had no support from his Work Programme provider in developing these skills. A Crisis Work and Learning Coach has since supported Harry to achieve certified literacy and numeracy qualifications.

***Michael** is a long-term rough sleeper who recently moved into supported accommodation. At an early Work Programme appointment he was told to send off at least twenty CVs per week, despite having very restricted access to a computer.*

"I have worked with [the provider] for past few months but they have done nothing to help me. I have sent a formal complaint to Jobcentre Plus about them but Jobcentre Plus lost it and nothing happened. I have had several new Work Programme advisers and I don't feel they want to help me. They ask a lot of questions then don't help. They make a lot of notes then nothing happens. I feel they are only interested in getting paid and consider their budget before trying to help people. I have asked them to help with

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me clothes for interview but they don't want to help. I have asked them for help with my maths and English but they didn't respond to this.

It has been a very patronising service. When I attended a mandatory computer course I was told off in front of the class and the tutor made me cry. I don't expect to be treated this way. When I ask for help with applications none is provided. Business In The Community has done far more for me than the Work Programme could ever do."

In many cases the Work Programme is failing to deliver specialist support. Instead providers are taking a standardised approach, without sufficient regard or response to individual need and barriers.

Sub-contractors are not being used to effectively provide specialist support to people

The Prime Contractors to whom participants are referred can either provide support themselves or refer participants onto sub-contractors, who are often smaller organisations that can tailor support to people with specific needs^{xiii}. Much of the expertise in understanding and supporting people with vulnerabilities lies with these sub-contractors, many of whom are charities.

Recent research has found that sub-contractors across the Work Programme are not receiving as many referrals as they expected from Prime Contractors^{xiv}. This is despite the Government's assertion that "the Work Programme is likely to represent an investment of several hundred million pounds in the voluntary sector."

Several organisations with expertise in helping homeless people into work became Work Programme providers in June 2011. In early 2012, St Mungo's left the Work Programme after not receiving a single referral over nine months. Single Homeless Project (SHP) also withdrew, citing a lack of referrals. A recent NCVO survey of charities on the Work Programme found that 47 per cent of respondents felt that their contacts were at risk of failure within the next six months and 26 per cent thought they were at risk of failure before the end of their contract.^{xv} There is currently no specialist provider of employment support for people who are homeless available on the Work Programme in London.

As involvement in the Work Programme becomes financially unsustainable for charities, more may be forced to leave. This could mean that there is less effective support available for the most disadvantaged and those furthest from employment, as it is often people in this group that charities specialise in supporting.

Very few of the people that we interviewed had been referred onto sub-contractors. Out of the few that had, almost all told us that they were disappointed with the support that they received.

Jenny is 38 and experiences ongoing Obsessive Compulsive Disorder, anxiety and depression. Since 2010 she has been receiving support from Crisis. In August 2011

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Jenny was referred to a Work Programme provider who specialises in working with individuals who have learning disabilities, predominately people with Down's syndrome. Although they tried their best, the sub-contractor could not support Jenny into any form of employment or volunteering as they were ill-equipped to support people with her range of needs.

Jenny thought that there was a complete lack of understanding of mental health issues from both her Prime Contractor and sub-contractor. She believes that the Work Programme was "no help" in finding her a job

Prime Contractors need to recognise the many factors that often prevent people who are homeless from entering employment. Without the correct, targeted support from specialist organisations, successful outcomes for homeless people will be few and far between.

Standards of service

A mixed picture emerged when we talked to people about the standards of service they have experienced on the Work Programme. Some told us that they felt they have been treated well, with respect and that it has been easy to access and talk to advisers. Sensitivity was raised as an important quality for advisers to have. One participant who had a family bereavement told us how helpful his adviser had been by temporarily relaxing work search requirements and allowing him to move appointments so that he could be with his family.

But there are many more homeless people who do not feel that they have been treated well by providers and advisers, 58 per cent of homeless people surveyed by Crisis/St Mungo's did not feel they were treated with dignity and respect by their Work Programme provider. Many of the people that we spoke to had been largely ignored by their providers.

St Mungo's is currently running a separate employment programme with Jobcentre Plus to support people who are not eligible for the Work Programme. However, St Mungo's have had to reject two thirds of applicants for this programme, because they were not eligible for the course as they were on the Work Programme. There seems to be much confusion amongst both people who are homeless and Jobcentre Plus in identifying who is actually on the Work programme.

Several people told us that they have to wait months between seeing Work Programme advisers, that advisers frequently cancel appointments and that they are often unavailable for long extended periods of time. In fact, 54 per cent of those surveyed by Homeless Link have seen their Work Programme adviser once a month or less. This is a particular problem for many people who are homeless as it often reinforces feelings of low self-worth and trust which can stem from being repeatedly let down by services

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in the past. It also makes it more difficult for people to build structure into their lives, which is an important part of recovering from homelessness.

Jack is 46. He is currently living in a probation hostel after serving a four year prison sentence. He has been in receipt of JSA for three months. Jack has been supported by Crisis for five weeks. Jack has been supported by Crisis for 5 weeks. During his time with Crisis he has attended motivational and literacy courses.

Jack was referred to his Work Programme provider on 4 September 2012 as an ex-offender. He first saw this Work Programme adviser for an induction meeting on 18 September 2012. At this meeting he opened an email account and developed a very basic CV. He was then told to attend an Enterprise Awareness day even though he never mentioned that he wanted to set up his own business. He has now received a letter asking him to next attend on 22 January 2013, with no explanation as to why he has to wait for four months. He has not declared that he is being supported by Crisis, so as far as the Work Programme provider is concerned, he can go without any form of support for four months. Jack believes that his Work Programme provider has treated him "very poorly – meant to be helping me back to work, appalling that they are waiting four months to see me again." Jack has now applied for a job at a Crisis warehouse.

Alex became homeless after a relationship breakdown and currently lives in a St Mungo's project. He has worked for most of his adult life, mainly in hospitality and security. He was initially referred to a Prime Contractor, of whom he says; "They were fantastic, their level of communication and their customer focus was great." After six months his adviser left, telling him that someone would get in contact.

After not hearing from anyone for several weeks he phoned his provider. They told him that he'd been referred to a sub-contractor who would be in touch to arrange training. He didn't hear anything for several weeks. Then a letter arrived telling him that in two days he would have to attend a two week employment skills course. This course repeated much of what he had already done with the Prime Contractor and according to Alex, "seemed to be a pointless exercise." At the time we interviewed him, six weeks had elapsed since he had completed the course. He had still not met with the sub-contractor or heard anything from them.

"I've so far found their level of service very poor - what's the point if they don't get in touch with you to do what they've be paid for?" Alex continues with his job search with no assistance from the Work Programme.

People have reported a range of negative experiences. Some have been told to leave college courses that they felt were helping them to become more employable, others had to give up volunteering opportunities that were building their confidence and developing their skills. Others reported not being listened to and being dictated to by advisers.

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We found instances where being referred to the Work Programme had meant that people are unable to attend existing employment related courses. People that we talked to had been told that while Jobcentre Plus would have paid for these courses, their Work Programme provider will not. As they were now on the Work Programme, Jobcentre Plus could no longer pay for them.

One of the worst examples of customer service that we found involved a young homeless man who has been given extremely misleading advice, which resulted in him losing all of his income, running up rent arrears and losing the opportunity to move from a hostel into his own independent accommodation.

Sam lives in a St Mungo's hostel. When he told his Work Programme adviser that he wanted to work in construction, his adviser suggested that Sam become self-employed. He was assured that he could claim different benefits and led to believe that his income would not be affected. Sam followed this advice and signed-off JSA, which meant that his housing benefit was also stopped. He tried to claim benefits for those who had declared themselves self-employed, but was told by the Jobcentre that he was not eligible.

"They said I would get help and my benefits wouldn't get cut off, but that's not how it went - it put me in jeopardy for three or four weeks. My housing benefit was cut off, my JSA stopped....I was misguided." He was left with no income apart from a £51 one-off grant from the Work Programme provider. After several weeks Sam started to receive JSA again. Around this time he was planning to move-on into more independent accommodation but he had to abandon this move because he had no housing benefit to pay the rent. Because he had signed off JSA, Sam also became ineligible for Social Fund grants that would have helped him to furnish a new flat.

This experience has left Sam feeling deeply cynical about the Work Programme; "They get their commission for people coming off JSA. For them to manipulate my brain for me to come off it... it's sad for me. It stopped my move-on [from a hostel into independent accommodation]."

Sanctioning

For most people on the Work Programme, participation is mandatory and providers can refer them to the DWP to be sanctioned if they have not complied with the activity specified by a provider. When someone is sanctioned their benefits are cut for set amount of time.

The number of people who are sanctioned has increased dramatically since the introduction of the Work Programme.^{xvi} Jobcentre Plus whistleblowers have previously suggested that those 'easiest' to sanction, including those who have learning difficulties, are targeted^{xvii}.

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In this context it is very worrying that such a high proportion of the homeless people on the Work Programme that we surveyed have been sanctioned. Indeed, 22 per cent of those surveyed by Homeless Link have seen their benefits sanctioned.

Evidence from the United States shows that when sanctions are used they have a disproportionate effect on more disadvantaged groups of people, as they 'face barriers to participating in welfare to work programs, just as they face barriers to working steadily'^{xviii}. People who are sanctioned are also more likely to experience hardship, including not having enough money for food and falling behind with payments.^{xix} We are extremely concerned that a consequence of sanctioning may be to unfairly punish those who face the most severe barriers to employment. We are also concerned that given the findings of this report, it is likely that many people who are homeless have been sanctioned without receiving the support that they are entitled to from their Work Programme provider.

***Sally** is a pregnant 19 year old woman with learning disabilities and a diagnosed mental health problem. She is living in supported accommodation and is on the Work Programme.*

She received several appointment letters that she was unable to understand so she put them into a drawer and forgot about them. This led to a succession of missed appointments which resulted in Sally being repeatedly sanctioned. The sanctions escalated until her benefits were going to be cut for six months. Staff at the hostel Sally was living in helped her to appeal successfully against the sanctions.

Subsidising the work programme

Many specialist agencies outside the Work Programme continue to provide employment support to homeless people who are on the Work Programme. Although not providers in the Work Programme, specialist charities such as Crisis and St Mungo's continue to provide this support as it plays a key role in homeless people's recovery from homelessness.

We have an excellent track record of supporting homeless people into employment. In 2011-12 St Mungo's supported 441 homeless people into formal and informal learning. St Mungo's employment team helped 204 people into volunteering roles and 94 people into paid employment. In the same period, Crisis supported 5,940 homeless people into formal and informal learning, and Crisis Employment Services team supported 423 homeless people into paid employment, and 305 people into volunteering.

However, many of the homeless people we surveyed and talked with were receiving very little support from their Work Programme provider, and encouraged to carry on accessing support from Crisis and St Mungo's. The perverse consequence of this is that while charities continue to support homeless people into work, the Prime Contractor will ultimately be paid thousands of pounds for each job outcome they did not contribute towards. This is a terrible waste of tax payers' money.

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As both charities rely on charitable income, our skills and employment services only have a certain capacity. If we have to continue to subsidise the Work Programme due to the lack of specialist services, and as demand increases, we may find ourselves in a position where we cannot always reach as many people as we would like to.

James has been on the Work Programme for six months. In this time he has attended a St Mungo's painting and decorating employment programme four days a week, through which he has earned an NVQ. He sees his Work Programme adviser once a month. James says "[The Work Programme provider] is ok but I feel more optimistic because of what I've done with St Mungo's. I feel better in myself because I've learned a trade"

Tom is 47 and was homeless for a year. He was receiving Jobseekers Allowance for two years up to June 2012, before that he had spent a period in prison. Tom is currently undertaking a detoxification programme.

Tom started attending Crisis services from 2010, where he has increased his confidence and employability through regular job coaching sessions. He obtained a qualification in painting and decorating sponsored by the Crisis Changing Lives grant making scheme. He also undertook a course run by MITIE in electrics, plumbing and central heating maintenance.

In December 2011 Tom was referred onto the Work Programme. During the six months that he spent on the programme he saw his adviser just on three occasions. Throughout this time there was no action planning, and no mention of any training.

In July 2012 Tom started work as a painter and decorator for Crisis Skylight Bermondsey. He informed his provider of this fact. He was then told by provider to get proof of his employment with Crisis, or they would force him to take up another job at National Minimum Wage. The provider needed this confirmation to claim a Work Programme job outcome, and to get paid on the back of the work that Crisis undertook and paid for.

Tom is still working as a painter and decorator, and has moved into self employment, which was a long term goal of his.

St Mungo's run a volunteer based resettlement service for our clients (Peer Advice Link - PAL). Many of the volunteers who staff the service have themselves experienced homelessness. PAL has been running for two years, in which time 45 per cent of all PAL volunteers have moved into paid employment.

These volunteers are often also on the Work Programme; according to a member of staff from St Mungo's PAL Team; "Work Programme providers often threaten PAL volunteers, telling them that they could be sanctioned if they keep on attending PAL instead of spending their time doing required activity. Once they learn a bit about PAL they're happy to leave it to us to help the volunteers get ready to enter paid work.

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Occasionally they'll phone us to see if the volunteers have got a job that they can claim a payment for. They also sometimes try and refer people to PAL once they realise that they can get the payments for the results that we achieve."

Steven is a 49 year old male currently housed in temporary accommodation. Steven had previously lived in a hostel after spending over three years in prison abroad. He started attending a Crisis Skylight centre in 2010, where with the support of an employment coach he increased his confidence and earned NVQs in IT.

In January 2012 Steven was referred to the Work Programme. He was immediately referred to a sub-contractor. He attended a group meeting and was also told that he was to attend daily to undertake job search. When he informed them he was volunteering at Crisis; he was then asked to attend just once a month and carry on volunteering. He was awarded a £30 clothes allowance, nothing else was done by the sub-contractor to support him to get work.

After volunteering two days a week for Crisis for five months, Steven secured a permanent job with Crisis at Christmas. This will result in the Work Programme providers obtaining job outcome payments for the work Crisis has undertaken and funded.

Conclusion and recommendations

The Work Programme has been operating for just over a year. The evidence around how it has worked for homeless people so far is not encouraging.

While we have gathered some positive evidence in areas that are applicable to many long term unemployed people such as CV preparation, work searching and career advice, it is clear that there is insufficient support to help people who are homeless overcome the full range of barriers they face to getting into work such as basic skills, health, housing and substance misuse issues. At present these barriers are often not even identified by Jobcentre Plus or Work Programme providers.

The Work Programme has been ineffective for too many of the people we talked to. Under no circumstances should the Work Programme further disadvantage the people participating in it. We understand that DWP and Work Programme providers see the possibility of sanctions as providing a useful motivational tool, but we are concerned that sanctions are penalising people who are genuinely vulnerable and impeding their progress.

Customer service has been extremely poor for a significant minority of the people we have spoken with. In too many cases the 'black box' is an empty box. Not only does this mean that the Work Programme is not helping them into work, it also means that providers are being paid by Government for services that they are failing to deliver. If the Work Programme is not working for people who are homeless, then it is likely to also be failing other groups of people that face similar needs and barriers

Based on DWP estimates around two thirds of Work Programme customers will not get a job. Expectations are particularly low of the customer group that specifically includes people who are homeless, known as the 'JSA Early Access' group for particularly disadvantaged claimants.^{xx} The maximum payment a Prime Contractor can receive for helping someone from this group into sustained employment is £6,600 over a two year period. This seems a small amount when compared to the savings to the state that can be secured through helping members of this group into work.

A report from Off the Streets and into Work (OSW) estimates that the cost of someone remaining homeless to be £28,567 per year.^{xxi} Moving into work can be crucial in enabling people to make a sustainable move out of homelessness.^{xxii} A report by the Centre for Economic and Social Inclusion for OSW estimated in 2010 that moving people in hostels into employment saves the Government £197.83 per person per week.^{xxiii} In 2008 ORC International concluded that there could be a £45,000 cost benefit to the tax payer if someone received employment support from St Mungo's.^{xxiv}

Given the scale of these potential savings, there is clearly a strong case for investing more in supporting those who need the most help into work. Intensive and highly specialised services should focus on developing relevant skills that would give people more of a chance of succeeding on the Work Programme by ensuring that they are

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better equipped to enter employment. These services should target people who are the least likely to succeed on the Work Programme without additional support.

The focus of these services should be on getting participants to the stage where they can participate on the Work Programme and expect to enter employment.

Summary of recommendations

Jobcentre Plus must be more effective at identifying claimants who are homeless: Providers should be getting paid more for helping people who are homeless into sustained employment; however this is not happening because Jobcentre Plus is not identifying claimants who are homeless.

1. Jobcentre Plus should work closely with local homelessness agencies to better understand the needs of the client group. Jobcentre Plus should have staff who specialise in working with people who have housing issues.
2. Benefits claims forms should ask people whether they are homeless, and/or live in supported accommodation, such as a hostel. When reviewing a benefit claim, Jobcentre Plus staff need to know whether a provided address is supported accommodation.
3. We recommend that the DWP introduces a quick review process for cases in which providers believe an individual has been referred in the wrong customer group. Claimants should be quickly reassessed by Jobcentre Plus and payments adjusted accordingly.

Barriers must be effectively identified and assessed: The barriers to employment faced by many homeless people on the Work Programme are not being identified.

4. We recommend that Work Programme providers, in partnership with the homelessness sector, continually review the effectiveness of their diagnostic tools; the better they understand their customers' barriers to work, the easier it will be to support them to find and secure employment.
5. We would welcome the opportunity to work with Government to develop diagnostic tools that could better identify barriers to employment faced by those most disadvantaged in the labour market.

Specialist provision must be delivered: Prime Contractors should work more effectively with sub-contractors, and give an indication of the initial level of referrals.

6. We recommend that the rules should be changed to ensure that Work Programme sub-contractors are able to plan their services better. The Merlin Standard is a tool developed by DWP to develop high performance, share best practice and ensure fairness in the supply chain. The Standard should require Prime Contractors to give an indication of how many referrals an organisation can

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expect to receive when they first join the Work Programme, so that sub-contractors can better plan their future delivery. Where actual referrals fall below these indicative volumes, providers should be required to give an explanation.

7. We recommend that organisations within the Work Programme supply chain use the Merlin Standard to highlight how the Work Programme is failing vulnerable groups, with an aim to improving the quality of services for disadvantaged groups. We are working closely with the Employment Related Services Association (ERSA) to improve awareness of the Merlin Standard assessment tool. DWP will then have evidence to consider how the lack of specialist provision needs to be improved and/or enhanced.

Standards of service must improve: More than half saw their adviser once a month or less and 58 per cent felt that their Work Programme adviser did not treat them with dignity and respect.

8. We recommend that Work Programme providers develop more specific minimum service offers which help people to understand what level of service they can expect. This minimum offer should not be determined by the type of benefit an individual is already receiving. Payments should instead reflect the numbers of barriers individuals face when attempting to move into work. This would encourage more individualised action planning, which would reflect the type of service each person needs, and the frequency they receive it. They must also ensure that participants are aware of these minimum service offers and know where to address complaints to if these standards are not being met.

People's vulnerability must be considered before they are sanctioned: More than a fifth of people we surveyed had been sanctioned and lost some or all of their benefits.

9. We recommend that providers and Jobcentre Plus do more to consider people's vulnerabilities before they are sanctioned. The current and future sanctioning guidance for Employment and Support Allowance (ESA) claimants ensures that Work Programme providers recognise that an individual's work preparation requirements will continue to be tailored to the claimant's needs and circumstances and must be reasonable for the individual claimant. As only reasonable requirements will be set, this will help to ensure that sanctions are not applied inappropriately. The DWP should extend the existing ESA duty to consider an individual's vulnerability prior to raising a compliance doubt so that it also applies to the JSA Early Access group.

Charities should not be subsidising the Work Programme: Specialist providers are subsidising the Work Programme with their reserves and/or charitable income.

10. We recommend that Prime Contractors, Jobcentre Plus and specialist organisations work more closely together to deliver a Work Programme that better supports the most vulnerable and those furthest from the labour market into

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employment. Charities should not be delivering support that the Work Programme provider is being paid for. Specialist organisations should be funded for the employment support that they are already delivering, and not subsidising Prime Contractors with their own charitable money.

There must be a different approach for those who face the most severe barriers to finding work: The Work Programme's funding model must be reconfigured to better reflect the barriers to employment that people face.

11. We recommend that the DWP change the payment structure so that providers are better incentivised to invest time and resources in supporting those who face the most severe barriers to employment.
12. There also needs to be recognition of how vitally important 'distance travelled' measures are for homeless individuals' journey towards employment.
13. We recommend that a preparatory pre-Work Programme is introduced for those who are the least likely to succeed on the Work Programme without additional support. If the Work Programme continues to operate a PBR system, it will never support those furthest from the labour market into work unless it includes specific pre-Work Programme funding

Next steps

Although there is limited evidence that the Work Programme is working for some homeless people, other evidence conclusively demonstrates that it is not. We have made a series of recommendations in this report, and would welcome the chance to work more closely with the DWP and Work Programme providers to develop more effective working practices which improve employment outcomes for people who are homeless.

The Government must take action now to ensure that homeless people get the correct support to move towards sustainable employment and that the work that homelessness organisations deliver is recognised and funded.

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ⁱ From a speech given by Lord Freud, Minister for Welfare Reform, DWP "Address to Welfare Providers" 2 June 2010, Church House, <http://www.dwp.gov.uk/newsroom/ministers-speeches/2010/02-06-10>.

ⁱⁱ Ibid.

ⁱⁱⁱ Prime Contractors hold contracts directly with Government to deliver the Work Programme across a defined region. They can either deliver this support themselves or sub-contract referrals to other providers in their supply chains.

^{iv} Homeless Link , online guide "Get Britain Working" Measures from DWP - overview, <http://homeless.org.uk/get-britain-working>

^v House of Commons Work and Pensions Committee, Fourth Report of Session 2009–10, <http://www.publications.parliament.uk/pa/cm200910/cmselect/cmworpen/101/101.pdf>

^{vi} DWP, Work Programme Provider Guidance - Chapter 2. Retrieved on 19 October 2012, <http://www.dwp.gov.uk/docs/wp-pg-chapter-2.pdf>

^{vii} DWP, Work Programme Provider Guidance - Chapter 9. Retrieved on 19 October 2012, <http://www.dwp.gov.uk/docs/wp-pg-chapter-9.pdf>

^{viii} DCGL, Rough Sleeping Statistics England - Autumn 2011 Experimental Statistics, <http://www.communities.gov.uk/publications/corporate/statistics/roughsleepingautumn2011> 10

^{ix} Broadway, Street to Home Bulletin 2011/12 http://www.broadwaylondon.org/CHAIN/Reports/S2H%20bulletin_201112.pdf

^x Off the Streets and into Work, 2005, No home, no job, moving on from transitional spaces

^{xi} Crisis, "Work and Skills" <http://www.crisis.org.uk/pages/work-and-skills.html>

^{xii} The New Economics Foundation, commissioned by Business in the Community, 2009, Work it out - barriers to employment for homeless people, <http://www.bitc.org.uk/resources/publications/homelessness.html>

^{xiii} Primes can also sub-contract off each other

^{xiv} National Council for Voluntary Organisations, 2012, The Work Programme: Perceptions and Experiences of the Voluntary Sector, http://www.ncvo-vol.org.uk/sites/default/files/sig_survey_june_2012_report_17.9.12.pdf

^{xv} Ibid.

^{xvi} Corporate Watch, 2012, Revealed: the punishing reality of the coalition's welfare reforms, <http://www.corporatewatch.org/?lid=4371>

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^{xviii} Blank, R. 2007, What we know, what we don't know, and what we need to know about welfare reform. Working paper 07/19, Michigan: National Poverty Center, University of Michigan, p.27 referenced in Finn D & Gloster, 2010, R "Lone Parent Obligations: a review of recent evidence on the work-related requirements within the benefit systems of different countries" Research Report 632 DWP.

^{xix} Pavetti, L., Derr, M. and Hesketh, H. 2003, Review of sanction policies and research studies: Final Literature Review, Washington D.C.: Office of the Assistant Secretary for Planning and Evaluation, Department of Health and Human Services. Referenced in Finn D & Gloster R "Lone Parent Obligations: a review of recent evidence on the work-related requirements within the benefit systems of different countries" Research Report 632 DWP.

^{xx} Work Programme, Invitation to Tender, Pricing Proposal Guidance, December 2010, <http://www.dwp.gov.uk/docs/work-prog-pricing-guidance.pdf>

^{xxi} Fothergill, M. 2008, The right deal for homeless people, A report for Off the Streets and into Work

^{xxii} Lownsborough, H, Crisis and Demos, 2005, Include me in: how life skills help homeless people back into work

<http://www.socialfirmsuk.co.uk/resources/research/include-me-how-life-skills-help-homeless-people-back-work>

^{xxiii} Inclusion, prepared for Off the Streets and into Work, 2010, Report of the cost-benefit evaluation of the Transitional Spaces Project, http://www.cesi.org.uk/sites/default/files/publications/OSW_cost_benefit_report_transitional_spaces_project_0.pdf

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