Better integration now and a long-term vision needed for working age contributory benefits

The government should develop a clearly articulated long-term vision for the role of contributory benefits for people of working age who are not in paid work. This is the overarching recommendation of a new report produced, and published today (24 October 2022), by the Social Security Advisory Committee (SSAC) under its statutory remit to provide independent advice.

New Style Jobseeker's Allowance and New Style Employment and Support Allowance — the two contributory benefits that can be received by out-of-work individuals regardless of their financial assets or partners earnings — have been a neglected area of policy over the last decade as the Department for Work and Pensions' focus has been the nationwide roll out of Universal Credit. This continues a decades-long trend of successive governments allowing working-age contributory benefits to diminish in importance as the role of other working age benefits has increased, for example with the expansion of means-tested support for families with children, renters, and in-work support.

The study found many aspects of these benefits do work well. But it also identified a number of areas where, too often, the system does not, leading to a poor service for those qualifying for contributory benefits. This stems from a lack of attention to, and a lack of investment in, these benefits. With Universal Credit now operating nationwide, the Committee urges the government to develop a long-term vision for these benefits.

Dr Stephen Brien, SSAC Chair:

While the decision about the role of the contributory principle is one for the government, it is appropriate that Ministers clearly articulate the role that they want this historically important component of working-age social security to play in the 21st century. Such reforms can take time and may not be the most immediate development priorities. However, we would welcome commitment to make early discrete operational changes, with a clear statement of longer-term intent to provide claimants and wider stakeholders with a clear direction of travel.

The Committee sets out a range of options for achieving greater alignment, from operational-level change that would deliver access to Universal Credit style technology and unifying work coaches for those on dual claims, through to delivery on the same IT platform and full integration of working-age benefits.

While the full integration of contributory working age benefits within Universal Credit would not be achievable in the short-term having this as a long-run goal would set a clear direction of travel. Having part of Universal Credit available to those deemed to have paid into the system without being subject to a means-test against, for example, their financial assets or partners earnings would have a number of advantages. It would boost take-up and would eliminate many of the problems our study has identified that stem from separate systems struggling to work well with each other. Reforms and operational changes could be made gradually over time in order to deliver improvements to how the system works for claimants and how it is administered that brings us closer to the ultimate destination of integration.

Read the <u>SSAC Occasional Paper 26</u>: The future of working age contributory benefits for those not in paid work.

- 1. SSAC is an independent advisory body of the Department for Work and Pensions. Its statutory remit is to:
 - to provide advice and assistance to the Secretary of State, whether in response to a specific request or on its own initiative
 - to scrutinise secondary legislation relating to social security for the benefit of the Secretaries of State for Work and Pensions or the Department for Social Development in Northern Ireland, and Parliament
- 2. The Committee Membership comprises: Dr Stephen Brien (Chair), Bruce Calderwood, Carl Emmerson, Kayley Hignell, Philip Jones, Grainne McKeever, Seyi Obakin, Charlotte Pickles and Liz Sayce.
- 3. Further enquiries should be directed to Denise Whitehead, Committee Secretary, phone: 0300 046 0323.