

Briefing paper – Universal Credit and volunteering

What is Universal Credit?

Universal Credit is a new welfare benefit for people who are looking for work or on a low income. It will be launched in 2013 and seeks to simplify and streamline the current welfare system by replacing the following benefits and credits with a single monthly payment:

- Income-based Jobseeker's Allowance
- Income-related Employment and Support Allowance
- Income Support
- Child Tax Credits
- Working Tax Credits
- Housing Benefit

By making benefits more 'responsive to fluctuations in earnings' the Government hopes the new system will improve work incentives, smooth the transitions into and out of work, and create a more dynamic labour market.

Universal Credit will be piloted in four pilot areas in April 2013. The findings from these 'pathfinders' will be used to make changes (where necessary) before the new system goes fully live in October 2013.

How will the Universal Credit work?

Under the Universal Credit, claimants will be placed in one of four groups:

1. No Work-Related Requirements Group
2. Work Focused Interview Only Group
3. Work Preparation Group
4. All Work- Related Requirements Group

Claimants deemed unable to work will be placed in the 'no work related requirements group' and will not be required to undertake any job seeking activities. Those in the 'work focused interviews only' group' will be required to attend regular work focused interviews with Job Centre Plus (JCP) advisers. And those in the 'work preparation' group' will be expected to take steps to make themselves ready for work, but not to apply for or take it up.

The fourth group - the 'all work related requirements group' – will be for claimants considered work-ready. This will be the default group. Claimants in this group will be expected to engage in work search activities for at least the number of hours they are expected to be available for work. That amount of time could be up to 35 hours per week and will be at the discretion of the JCP adviser.

How will the Universal Credit affect volunteering?

Claimants in the first three groups will have no restrictions placed on their volunteering activities. For those claimants in the 'all work related requirements group', volunteering will be accepted as up to 50 per cent (17.5 hours) of their total work search activity. So, while those in this group will be permitted to undertake as many hours of voluntary work as they wish, they could have the total amount of time available to them reduced by up to 17.5 hours a week due to other work search commitments.

What is deemed appropriate volunteering activity will be considered on a case by case basis as part of the conversations between the claimant and their JCP adviser. It is currently unclear what systems will be put in place to record the number of hours claimants volunteer.

The current rules that a claimant be allowed up to 48 hours to attend an interview and one week to take up paid work will still apply.

Considerations and implications:

- Claimants will not be expected to volunteer or face sanctions if they do not volunteer. However, if a claimant has agreed to carry out voluntary work as part of their work search but fails to attend, they will be required to demonstrate that they have used that time constructively.
- Those that currently volunteer full-time will be the most affected. However, while any restriction on volunteering is undesirable, it is worth considering how many people will actually be affected by a 17.5 hour reduction to their available time.
- Historically there has been confusion with JCP advisers not knowing the rules surrounding claimants and volunteering hours. Having definitive guidelines set in legislation could help clarify the situation once and for all.
- Those claimants that arguably benefit most from volunteering – those assessed as not ready to work – will still be free to volunteer as much as they want.
- Recognising volunteering as a legitimate job search activity could help raise the profile of volunteering to jobseekers and JCP advisers.