Pathways to Work: Reforming Benefits and Support to Get Britain Working Green Paper

Response from Communities that Work

Introduction

Communities that Work ("CtW") is the national body in England focused on social housing and employment. We bridge the gap between housing, employment and government to drive better job and earnings outcomes for working-age tenants and residents across our communities.

CtW is led by our members – social landlords who own and manage 1.6 million homes across England – who play a vital role in supporting people to thrive through meaningful and sustainable employment.

A commitment to integrating work, skills and housing services is essential to breaking down barriers to good work for those who need it most. CtW's new Housing, Growth and Green Jobs Alliance[1] seeks to advance the connection between Government departments to achieve higher employment rates for local people, growth in green jobs and more homes in net zero states, contributing to the Government's overarching growth mission.

CtW welcomes the *Pathways to Work* Green Paper and the Government's renewed commitment to building a more effective, inclusive and supportive benefits and employment system. This consultation marks a critical and timely opportunity to reimagine how employment support is delivered to millions of people currently out of work, many of whom face complex and competing barriers to sustainable employment.

We are encouraged by the Green Paper's emphasis on a more inclusive, personalised and work-focused benefits system that recognises the structural barriers to good work that many people face. Its ambition to improve support for disabled people and people with long-term health conditions, strengthen links with employers, and reduce economic inactivity through a more tailored approach is welcome.

Economically inactive people living in social housing face some of the most entrenched barriers to employment and must therefore be a priority for the support outlined in this Green Paper. As set out in our *Building Opportunity* report[2], people living in social housing tend to be more likely to have a characteristic associated with poorer labour market outcomes than the population as a whole. As of 2022, they are more like to be disabled (41 per cent vs. 17 per cent), a single parent (30 per cent vs 9 per cent), from an ethnic minority (21 per cent vs. 14 per cent), or to have no qualifications (18 per cent vs. 5 per

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[1] Communities that Work, *The Housing, Growth and Green Jobs Alliance*, https://www.communitiesthatwork.co.uk/our-work/the-housing-growth-and-green-jobs-alliance#:~:text=The%20Housing%2C%20Growth%20and%20Green%20Jobs%20Alliance%20aims%20to%20advance,homes%20in%20net%20zero%20states. (accessed 25 June 2025)

[2] Institute for Employment Studies, *How social housing can support skills, talent and workforce development*, December 2022, https://www.communitiesthatwork.co.uk/images/pdf/Building_Opportunity_Final_Report_v_final_2_011222.pdf (accessed 10 June 2025)

cent). That's why efforts to increase overall employment rates (i.e., to reach 80 per cent) must take account of, and effectively reach, social housing tenants. They are a significant proportion of the population, more diverse than the population as a whole, and more likely to have low incomes and live in poverty.[3]

The proportion of 16-to-64-year-olds living in social housing who are in work has risen from 47 per cent in 2012 to 53 per cent in 2022. However, this remains well below the 76 per cent employment rate for people living in private rented accommodation (up from 67 per cent in 2012) and 81 per cent for owner-occupiers (up from 77 per cent). For many people, this represents a lost opportunity to work, to pursue a career, and to increase their income.[4]

Social landlords are well placed to reach those who are further from work, to work effectively in partnerships, and to deliver effective, personalised employment support. The Government could make its investment go further if it can incentivise the social housing sector to partner with them to reach people across our communities, deliver local and effective employment support that draws on long experience, and establish relationships with people, households and communities.

Chapter 2: Reforming the structure of the health and disability benefits system

1. **What further steps could the DWP take to make sure the benefit system supports people to try work without the worry that it may affect their benefit entitlement?**

For too long, the fear of losing benefits entitlement has served as a deterrent to economically inactive people from exploring work opportunities, even when they would like to do so.

That's why we welcome the introduction of more personalised and more consistent support for people with disabilities and long-term health conditions. We are pleased that this includes a shift in emphasis toward helping individuals find meaningful and rewarding work, rather than focusing solely on benefits compliance. This approach is far more likely to yield positive engagement and enhance the wellbeing of tenants.

Similarly, we are encouraged by the Government's commitment to preventing young people from falling through the gaps in the system via the introduction of a Youth Guarantee. However, we are concerned that under the new rules, young people in receipt of Universal Credit (UC) in supported housing who take on work may see their benefit income subjected to two taper rates, as a result of them paying rent via Housing Benefit (HB). Even a modest increase in working housing may lead to a drop in overall income, thus putting them at risk of rent arrears, debt, and even potential eviction. Ultimately, this system is a significant disincentive for young people to enter and progress in work.[5]

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[3] Ibid., p.15
[4] Ibid., p.19
[5] National Housing Federation (NHF), Response to the *Pathways to Work: reforming benefits and support to get Britain working*, June 2025

We also support the introduction of a ‘right to try’ work guarantee, which will enable people to go back to work without fearing a cut to their benefits. We agree with the Secretary of State that this measure will tackle “perverse financial incentives” that actively encourage people into welfare dependency. It also recognises that the path to work for many people is not linear, but requires space to test, to try and to adjust.

CtW is confident that a ‘right to try’ work guarantee could unlock the potential of many individuals currently excluded from the labour market, not because of a lack of willingness, but as a result of systemic disincentives. For social housing tenants, who are more likely to experience long-term health issues and be disabled, this is particularly pertinent. Our members report that residents would like to work, but fear that trialling employment could lead to sanctions, reassessments, or an uncertain return to benefits if an initial job role does not work out. As we await the introduction of primary legislation to deliver the scheme, we would impress on the Government the imperative to ensure that:

- Eligibility criteria is clearly defined and easy to understand. The scheme should cover a wide range of benefit recipients.
- There are no reassessment penalties. Individuals should be able to return to their previous benefits level without needing to repeat health assessments or undergo additional scrutiny.
- Employment attempts are treated as learning opportunities, with trial periods bolstered by practical support and advice. Work coaches and community groups should be empowered to help individuals navigate this process.
- The scheme is delivered in partnership with trusted community organisations, including social housing providers, who are well-placed to provide wraparound support.

JobsPlus: a pathway to work

To that end, the ‘right to try’ work guarantee should complement existing programmes that are supporting people into work. Engaging with hard-to-reach groups, in particular, will necessitate this initiative to develop close partnerships with community organisations, healthcare providers, and disability groups.

The JobsPlus pilot offers valuable insights into how community-led employment support can empower people to secure decent work and progression opportunities. Backed by a strong evidence base in the United States, this model is now being replicated in ten sites across England, funded by the Department via HM Treasury’s Labour Market Evaluation and Pilots Fund. The Learning and Work Institute, Communities that Work and the Institute for Employment Studies are supporting and evaluating the programme sites in Stockton, Maltby, East Finchley, Swale, Leyton, Penge, Borehamwood, Toxteth, Wirral and Wybourn.

Fundamentally, JobsPlus provides intensive and holistic employment support, combined with financial incentives - a one-off 'into work bonus’, once participants have sustained new employment or self-employment for at least two months. Support is delivered

through an integrated local place that brings together housing, employment, and other local partners. It is open to all of those in the neighbourhood, thereby removing formal barriers and stigma to participation.

JobsPlus takes an explicitly community-led approach. This means that residents play an active role in shaping provision, championing engagement and providing peer support. Evidence from the United States showed that this helps to build trust and engagement in the service, as well as addressing challenges around stigma and access.

Above all, JobsPlus demonstrates the importance of in-person, community-based support and its potential to complement a modernised, digital employment support service. For many people facing difficult barriers to work, face-to-face visibility in a safe and welcoming environment increases trust and engagement.

While the JobsPlus pilot demonstrates a promising model, its impact is currently limited to just ten sites. This indicates a significant opportunity to build more sustained partnerships to ensure that the most joined-up support is delivered across our communities.

Chapter 3: Supporting people to thrive

1. **How should the support conversation be designed and delivered so that it is welcomed by individuals and is effective?**
2. **How should we design and deliver conversations to people who currently receive no or little contact, so that they are most effective?**

It is clear that achieving an 80 per cent employment rate will require DWP to extend its reach to groups currently underserved by its services. Disabled people and those who are economically inactive due to long-term health conditions are not currently receiving adequate support to access employment. According to research published by the Learning and Work Institute[6], only one in ten out-of-work disabled people receive help to find work each year, and the support they can access is less likely to be successful. A further report (January 2025)[7] exposed systemic ableist bias and discrimination, with many disabled people describing experiences of being offered only low-skilled, low-paid jobs, despite having significantly sufficient skills and qualifications.

Likewise, existing employment support services largely interact with individuals who have a work-related claimant commitment, meaning that many people who require support, but who are not immediately 'job-ready', fall through the cracks. This includes individuals recovering from illness, carers seeking return to work, and those with fluctuating health conditions who may need longer-term, phased support.

While Job Centre Plus (JCP) plays a crucial and statutory role in the employment support ecosystem, its function as both a gateway to benefits and a provider of employment

[6] Learning and Work Institute, *Towards full employment: how the UK can increase employment by widening opportunity*, September 2022, https://learningandwork.org.uk/resources/research-and-reports/towards-full-employment/ (accessed 10 June 2025)

[7] Learning and Work Institute, *Achieving the Governments new employment rate target will require a fully inclusive employment system*, January 2025, https://learningandwork.org.uk/news-and-policy/achieving-the-governments-new-employment-rate-target-will-require-a-fully-inclusive-employment-system/ (accessed 10 June 2025)

services creates challenges in public perception. In our experience, many jobseekers view JCP primarily as a compliance and enforcement agency, rather than as a source of impartial employment support. This tension can sometimes deter individuals from engaging fully and proactively with DWP services, particularly when they worry that disclosing personal barriers to work could result in changes to their benefit entitlement.

The success of the ten JobsPlus pilot sites so far demonstrates that independent, community-based employment hubs can create an environment where people feel comfortable seeking advice, disclosing challenges, and exploring career opportunities without fearing financial repercussions. Similarly, JobsPlus' explicitly community-led approach means that support is embedded within the communities they serve, enabling them to deliver truly tailored support to those in vulnerable or hard-to-reach groups, including people living in social housing.

In this context, CtW welcomes the forthcoming publication of local Get Britain Working plans as a means to strengthen local employment support ecosystems and ensure that tailored, community-based approaches such as JobsPlus are embedded in long-term health and work strategies. We are particularly pleased to see that the plans will take a whole-system approach, bringing together a diverse range of local partners to develop clear and shared goals to tackle economic inactivity and supporting people into good work.

Within this ecosystem, housing associations have a vital role to play. As trusted anchor institutions at the heart of communities, they are uniquely positioned to support residents into employment: a 2018 IPPR report calculated that this support is worth £70 million every year.[8] Their wide community reach also enables them to coordinate services effectively and ensure that support mechanisms are available and accessible to people who need them most. These include core employment support – such as one-to-one CV coaching and job-searching assistance – as well as specialist support for more vulnerable tenants. In many instances, this is complemented by wider holistic support, including guidance on navigating the benefits system and helping people to sustain their tenancies. Given this established role, we would urge the Department to deepen its partnerships with housing providers to strengthen local employment delivery. By working more closely with the sector, the Department can unlock additional capacity, extend its reach into underserved communities, and deliver more joined-up support that responds to the needs of residents.

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[8] Institute for Public Policy Research, *Building communities that work: the role of housing associations in supporting employment*, July 2018, https://www.ippr.org/articles/building-communities-that-work#:~:text=Many%20housing%20associations%20provide%20employment,engage%20effectively%20with%20housing%20associations. (accessed 25 June 2025)