HMRC Work IT Out

Pilot Findings: April 2015 - March 2016

May 2016
Introduction

The national network of UK online centres managed by Tinder Foundation supports 250,000 people each year to develop basic digital skills through a combination of online learning and community support. This support already includes help for those who need to use government services online, both by building their confidence, motivation and skills to do so, and also by providing assisted digital support for those who face specific barriers such as visual or other impairments.

Work IT Out is an innovative programme designed and delivered by Tinder Foundation. The project embeds HMRC benefits advice and guidance in UK online centres. The online centre network is a diverse group of community and grassroots organisations. The common feature of all UK online centres is that they embed digital support in existing community development work. Tinder Foundation and the UK online centres network understand that digital and social exclusion are inextricably linked; this often leads to UK online centres delivering a number of services and opportunities which benefit their community, with digital as just one part of this wider offer. Many UK online centres also provide outreach learning sessions in the local community. These make their services more accessible, and are often necessary to overcome geographical and financial barriers, as well as confidence and motivational barriers, for learners that would not consider attending a formal learning environment.

This programme builds on the holistic support that UK online centres already deliver, and funds them to integrate this with support that responds to queries relating to HMRC services. These cut across personal and business uses, covering Child Tax Credits, Working Tax Credit, Child Benefit, personal tax, and business tax. Often, this support is related to transitional points in the lives of individuals, and the Work IT Out advice service offers wider support to help people move into work, set up a business, or look after a new child. HMRC’s business tax functions have migrated online, but their benefits system remains offline. For this reason, delivery partners were not obliged to support clients through digital. However, all delivery partners are part of the UK online centres network and actively sought to integrate computer use into the advice process, either at the point of engagement, or by referring the client to digital inclusion support within the centre.

Throughout the course of this programme, Work IT Out has supported 4,334 learners. These individuals were engaged by 22 community-based UK online centres across England. The following figures indicate the kind of support offered by centres:

- 29% of interactions were related to Working Tax Credits
- 20% of interactions were related to Child Tax Credits
• 19% of interactions were related to Child Benefit
• 11% of interactions were related to Income Tax (PAYE)
• 9% of interactions were related to National Insurance.

These figures reflect the fact that most centres focus on HMRC personal customers, and a smaller group support sole traders and small-medium enterprises (SMEs). These figures also reflect the fact that HMRC business customers may also be making in-work benefit enquiries if their earnings are low.

**Delivery Model**

The UK online centres delivery model is designed to be informal and flexible, with drop-in computer classes offered almost universally, allowing learners to choose their own direction with support from paid tutors and volunteers. Although many centres offer internal progression routes to accredited qualifications and vocational certification, there is a strong focus on slowly and carefully re-engaging people in learning and other activities that will lead to progression towards employment, better health and other positive outcomes. Confidence-building is an important part of what centres do, especially for older learners who lack faith in their ability to use technology, people with learning difficulties and disabilities, and the long-term unemployed – some of whom have recently found themselves in the labour market for the first time as a result of welfare reforms.

UK online centres do not just offer computer access and training. They integrate this training within a wider support offer, which typically includes unemployment support, ESOL, financial capability, and a range of skills and leisure classes. The efficiency of this holistic model was endorsed by a recent Social Return on Investment evaluation of the UK online centre model. This evaluation found that training and support is most effective as part of wider community development work. UK online centres are hugely valuable because they tailor their support to meet individual need within the context of wider provision. This delivery model is combined with reach into excluded communities. 79% of UK online centres’ learners meet at least one criterion of social exclusion.\(^1\) This means that they are delivering support to those who need it most.

The HMRC Work IT Out programme has enabled UK online centres to embed benefits and advice support within this holistic model. Support with HMRC benefits is vital, especially for those learners who are transitioning between unemployment and employment, or from unemployment to self-employment. The evaluation of this

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\(^1\) This is a Tinder Foundation definition. Learners must meet one of the following: Educated below Level 2, In HBARI relative income poverty, In receipt of benefits, Unemployed, Living in social or sheltered housing.
project found strong evidence that there is demand among individuals for both one-to-one support and group support. One-to-one support is necessary for intensive or complex claims, troubleshooting, and answering specific questions through the internet. Group support is necessary to raise awareness of HMRC benefits. There is still widespread lack of understanding of the role of HMRC benefits in supporting individuals into work.

In addition to beneficiary data collected as part of project management, the evaluation of the HMRC Work IT Out programme took place through semi-structured telephone interviews. Delivery partners were interviewed in June 2015 to set a baseline. They were then interviewed in October 2015, and again in March 2016. These interviews have helped Tinder Foundation to understand how the programme has increased the provision of HMRC advice services in UK online centres, and how this provision has met local demand for these services.

**Reported outcomes for programme beneficiaries**

<table>
<thead>
<tr>
<th>Improved digital skills</th>
<th>More independent use of HMRC services</th>
<th>Improved financial capability</th>
<th>Engaged in further learning</th>
</tr>
</thead>
<tbody>
<tr>
<td>94%</td>
<td>88%</td>
<td>82%</td>
<td>70%</td>
</tr>
</tbody>
</table>

**What centres have achieved with their funding**

<table>
<thead>
<tr>
<th>Offer more hours of HMRC advice</th>
<th>Build partnerships to increase engagements</th>
<th>Provide specialist support (e.g. translation)</th>
<th>Deliver more outreach sessions</th>
</tr>
</thead>
<tbody>
<tr>
<td>88%</td>
<td>76%</td>
<td>59%</td>
<td>47%</td>
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</tbody>
</table>

2 Figures represent the % of delivery partners who reported these outcomes for any beneficiaries, not the % of total beneficiaries.
Channel Shift

Although many HMRC benefits are not yet online, delivery partners worked hard to integrate sources of online information into their advice sessions. One delivery partner, Access to Business, has been hosting remote HMRC webinars for the last five years. HMRC is now scaling back on this service, and Access to Business will no longer host these webinars. Support to access information online has become a valuable replacement for this service, and Access to Business encourages individuals to search for and access information as a default. Centres report using gov.uk or citizensadvice.org.uk as major information sources. Other UK online centres have taken a similar approach, integrating digital skills into their wider support model in two interrelated ways:

- By using computers in advice sessions, and encouraging learners to navigate information online with the support of an advice worker. This method is crucial in encouraging individuals to see the internet as a primary information tool, and for empowering them to use the internet without assistance.
- By offering digital skills classes, supported by Learn My Way, and referring learners internally between HMRC advice and digital skills services.

Learners interact with HMRC services relatively infrequently, and advice and support needs to be there when clients require it. Because of this, advice sessions cannot be used as the main way of delivering digital skills. Instead, computer use within the advice session supplements wider skills development that occurs at UK online centres.

Support for non-native English speakers

- 45% of clients supported by the programme had ESOL needs
- 36% of clients supported by the programme were from black, Asian or minority ethnic (BAME) populations

Although there is huge scope for channel shift among HMRC benefits, the advice service also provides support for queries and problems that would be difficult for individuals to rectify on their own. Our evaluation of the programme suggests that, for non-native English speakers, even relatively simple HMRC services can be difficult. This is exacerbated when individuals need to rectify miscommunications with HMRC, as the requirements on them can often become increasingly complex. In the following two case studies, the Work IT Out programme provided necessary
support for non-native English speakers at crucial times of miscommunication and withdrawal of benefits.

Delivery partners supporting non-native English speakers are receiving referrals from organisations who provide ESOL support but not advice (e.g. ESOL providers or migrant support services) or vice versa (e.g. Citizens Advice Bureaux). In many cases, referrals and signposting arrive from strong and long-established connections between local organisations or from co-located services.

Supporting non-native English speakers had been a major part of the programme to date, with 24.8% of overall interactions reported against this category. Delivery partners reported that often, the main reason why non-native speakers need support is because they lack basic English. Centres reported the importance of ESOL provision in increasing independent interactions with HMRC. Several HMRC Work IT Out centres are also funded through Tinder Foundation’s English My Way programme. Referral between these programmes is crucial, as both contribute to community integration by developing and stabilising an individual’s resources and capacity to self-support in a new country. Among HMRC delivery partners, several centres reported the importance of delivering in tandem with English My Way, including Hackney Co-operative Development, GOYAUk, Birmingham Tuition Academy, Bromley by Bow and Wai Yin Society. These centres, in addition to Butterfly Creche and Somali Advice Link all noted the importance of in-house community language support. This is often provided by volunteers with specific language skills, and allows clarity and efficiency in the advice and advocacy process which is not achievable through other means.

The popularity of these delivery partners among the demographic communities they support has meant that word-of-mouth referrals have been a very important way to engage people with HMRC advice. Interviews with beneficiaries suggest that word-of-mouth referral is very strong, and that they are more likely to access support from an organisation that is recommended by a friend.

**Beneficiaries: Progression and independence**

All delivery partners report progression between HMRC advice and their other internal support services. This is especially true of digital skills training, since all delivery partners are UK online centres. The importance of financial literacy was also repeatedly cited by delivery partners. Specific financial literacy courses are offered by Destinations@Saltburn, Wai Yin Society, Access to Business, and Skills Enterprise. Skills Enterprise recognised the importance of mixing crisis resolution with longer-term support. They provide a food bank, which is a key way of engaging individuals in financial crisis. Because they are regulated to provide a maximum of
three consecutive food bank vouchers, they actively draw food bank clients into wider support services. For most clients, this is likely to include financial inclusion, as well as benefits advice and guidance. The aim of this support is to meets the needs of the individual in a way that makes their lives more stable, independent, and less likely to need the food bank in the future. The Bromley by Bow Centre also offer progression from crisis support. They house a GP surgery on site, and have a well established social prescribing route which leads from the clinical interview to the wider support services that the centre offers.

For centres such as East Staffordshire CAB, who were already doing significant advice work, Work IT Out has helped them to link their advice service with digital skills provision. East Staffordshire CAB became a UK online centre a year ago, and report that there has been a significant recent increase in enquiries about online services. Learn My Way has given them a valuable new way to support their service users, which allows them to start integrating digital skills into their offer, and prepare their client group for future online interactions with HMRC.

Delivery Partners: Local links

Referrals and signposting have been key to engagement, with other local support services directing to delivery partners queries which they feel unable to address themselves. Partnerships with local Jobcentres have proved effective, with JCP referring clients who are interested in self-employment or have Working Tax Credit queries relating to changes in employment status. Centres with strong JCP links, like Destinations@Saltburn, conduct outreach surgeries on JCP premises.

As well as receiving referrals, delivery partners have also used their funding to establish or expand outreach advice sessions in venues including GP surgeries (SE Staffs CAB), local schools (Skills Enterprise), children's centres (Best Training) and Food Banks (SDAIS). Best Training are also trialling multi-service outreach, combining HMRC advice and employability skills, in partnership with a local substance misuse agency. Tunbridge Wells Borough Council have used funding to establish regular HMRC advice surgery hours in their multi-agency information centre in Weald. This has provided a rural hub, which gives accessible community advice. This resource is well used by a large local Traveller community.

Support for SMEs and Sole Traders

Centres reported high engagement with SMEs and Sole Traders. A survey of centre managers suggested that 22.5% of their clients enquired about self-employment. Demographic data suggests that 7% of learners were registered as self-employed.
This indicates a large number of enquiries regarding the transition into self-employment.

Of the self-employed beneficiaries, **78% were sole traders.** This is reflected by qualitative data, which evidences high demand from very small businesses unable to afford accountancy services. A significant sub-section of this group is recently registered sole traders who are moving from unemployment or redundancy to self-employment. Some centres, such as Destinations@Saltburn and Gateway Consultancy, have engaged established SMEs through specific projects and offers of support. Others, like Access to Business, have into-work programmes that support individuals to set-up as sole traders. Access to Business note that this transition is a key point of support in the Work IT Out programme. Individuals who are making the transition to self-employment need support both with business tax processes and with in-work benefits. When this support is offered with digital support, businesses receive a range of pragmatic skills which enable them to gain rapid control of their new venture. A number of centres, including Access to Business, the Butterfly Creche, and Birmingham Tuition Academy have reported an increase in numbers of individuals interested in establishing themselves as sole traders. The benefits regime is contributing to this growth, as increased pressure to find work is moving people away from JSA and towards HMRC benefits and responsibilities as they enter work.

**Feedback on the reporting tool**

One of the purposes of the progression evaluation calls was to assess the usefulness of the online reporting tool created for the programme, and find ways in which it could be improved. The tool has been well-received by most centres, who have prior experience using a similar tool in other projects funded by Tinder Foundation. Centres spoke of positive relationships with Tinder Foundation's Network team, which meant they felt comfortable reporting any problems with the tool as and when these occurred. For new UK online centres and specialist advice organisations, like Citizens Advice Bureaux, the tool has been more complex. Because Citizens Advice have their own internal reporting and case management systems, using Tinder Foundation's data management system has placed an additional burden on advice workers. Tinder Foundation are exploring the possibility of embedding a bulk upload facility into the data management tool to make this process more efficient.

**HMRC support services**

Delivery partners continue to express frustration that the HMRC telephone helpline is unusable in practical terms. The Helpline has very long wait times. Some delivery partners pointed to the need for an agency number which fast-tracks calls made by
advice providers. This would offer high value to centres and clients who are managing complex cases which need resolution by an HMRC employee.

Two centres noted the withdrawal of live HMRC webinars from their centres. Although HMRC are not withdrawing this service completely, they are requesting a minimum attendance. This makes it difficult for centres to manage, because they spend administrative time mediating between HMRC and customers who may have complex needs and chaotic lives. Often, support services become more successful in the long term when provision is regular and predictable. Sporadic services, even if they are of high value, are often deprioritized by clients.

**Case Studies**

Shajeena first accessed support from Skills Enterprise when she came into contact with the English My Way programme, an entry-level English skills project funded by Tinder Foundation. Through this programme, Skills Enterprise recognised that Shajeena had poor digital literacy. She was internally referred to the digital skills programme at Skills Enterprise. When this was combined with employment support, Shajeena successfully entered into work. She started part-time work, but because of a miscommunication, her Tax Credits were stopped, along with her Housing Benefit. When this happened, Shajeena sought support from the Skills Enterprise advice service. Shajeena needed a lot of support to make phone calls, collect the relevant documents, and compose letters. When the problem was resolved, Shajeena received £9,000 in back-payments.

Jasmine came to the UK from Eritrea in 2007. She lives in London with her two children. Earlier this year, her second child was born. She made the simple application for child benefit, and the payment was successfully set up. However, four months later, her Child Benefit and Child Tax Credits were stopped. HMRC queried the birth certificate that Jasmine provided for her son’s claim, and was asked to supply another copy. Although Jasmine’s English was good enough to apply for benefits, she didn’t have the fluency to understand the letters that HMRC sent her. She sought help from Hackney Cooperative Development (HCD), who she had heard about from a friend. Because a worker at HCD could speak Jasmine’s native language Tigrinya, he could communicate with Jasmine, and advocate for her. When Jasmine sought help, she had already borrowed money to make ends meet. Thanks to the support of HCD, her benefits were reinstated after a month. She now has regular contact with HCD, and has recently started ESOL classes at the centre.