



## Who are the long term welfare recipients and what prevents them from progressing socially and economically?

### Tender Notice

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<b>Procurement/ Project Title</b>	Who are the long term welfare recipients and what prevents them from progressing socially and economically?
<b>Procurement Reference</b>	SMC-2526-104
<b>Total value</b>	£50,000 exc VAT
<b>Contract start date (estimated)</b>	01/04/2026
<b>Contract end date (estimated)</b>	30/9/2026

#### **Project Description**

The Social Mobility Commission (SMC) monitors progress towards improving social mobility in the UK and promotes social mobility in England. It is an independent statutory body created by an Act of Parliament.

The SMC is interested in conducting research to understand those who are long-term welfare recipients and the factors preventing them from progressing socially and economically. Our motivation stems from wanting to understand the characteristics of long-term welfare recipients, how they utilise the welfare system and the individual and systemic factors that prevent progress.

#### **Background**



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The UK welfare system has evolved over time. Post-World War II, the 1942 Beveridge report and 1948 National Assistance Act,<sup>1</sup> saw the initiation of a comprehensive, non-means-tested system of social security designed to act as a financial safety net.<sup>2</sup> The system was intended to act as a ‘trampoline’ supporting people in times of need, before returning to self sufficiency. However, there are arguments that the current system prevents those at the lowest socioeconomic levels from moving upwards. The mechanisms for the welfare system affecting long-term dependency are influenced by a complex combination of systemic and individual factors and little is known about those who are long-term dependent and how to support them.

## Factors exacerbating dependency

Some politicians and commentators have argued that the benefit system can erode work incentives and create norms favoring long-term reliance on welfare, sometimes across generations.<sup>3</sup> Furthermore, measures implemented to reduce government spending on benefits have been argued by some to have pushed people further away from the labour market and deeper into poverty.<sup>4</sup> Benefit users can face a ‘low pay/no pay’ cycle where they cycle through periods of low paid, unstable work and benefit dependency.<sup>5</sup> This has been influenced by policy to move people into any work first, then better work, followed by a career.<sup>6</sup> However, it is argued that this has led to people taking low paid, insecure jobs and increased in-work poverty in the absence of better employment opportunities.<sup>7</sup>

## Numbers of welfare users

‘Long-term welfare recipient’ is not a category clearly defined or reported in current literature. However, insight into the numbers of welfare users provides context for the scale of welfare use. In 2025, approximately 24 million people in the UK claimed some combination of Department for Work and Pensions (DWP) benefits. Of these, approximately 10 million were of working age.<sup>8</sup>

Universal Credit (UC) is the primary means tested working age benefit and is a payment for people both in and out of work. The number of UC claimants was about 7.9 million in 2025.<sup>9</sup> This benefit can be provided to support people in work, whose earnings are low enough to qualify. Incapacity and disability benefits support eligible people with health conditions and disabilities. There has been a significant increase in spending on health

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<sup>1</sup> [The Welfare State and Inequality: were the UK reforms of the 1940s a success?](#), 2023

<sup>2</sup> <https://www.parliament.uk/business/publications/research/olympic-britain/incomes-and-poverty/the-benefits-of-britain/>

<sup>3</sup> [Journal of Social Policy](#), 2014; [Burnham's MP warns Britain's welfare system is no longer working as intended](#), 2025; [Welfare Spending - Hansard](#), 2025

<sup>4</sup> [LSE](#), 2025

<sup>5</sup> [Journal of Social Policy](#), 2014

<sup>6</sup> [‘Work first’ can work better | Joseph Rowntree Foundation](#), 2024

<sup>7</sup> [Decades of benefit reforms have pushed more people into work – but very often into part-time, low-paid work with little prospect of progression | Institute for Fiscal Studies](#), 2023

<sup>8</sup> [DWP](#), 2025

<sup>9</sup> [DWP](#), 2025



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related benefits post pandemic (between 2019-20 and 2023-24) from £38 to £48 billion.<sup>10</sup> This increase is further reflected in 2024, by a sharp increase in the number of flows onto UC and into the no work requirement category for those with a health condition.<sup>11</sup>

### Flows out of welfare dependency

Those on incapacity benefits are highly likely to have long durations of benefit use, with 1 in 4 (26%) receiving benefits for over 10 years.<sup>12</sup> Of all UC recipients, those already working, or searching for work are most likely to stop receiving the benefit. In 2025, approximately half of flows off UC receipt were from these groups, with a further 30% from those searching for work. One fifth (20%) of flows off UC were from those with no work requirements. This may reflect those moving into work, into state pension age or students leaving education and entering employment.<sup>13</sup> Changes in earnings and benefit income and the amount of paid work in a household were closely linked to low income entries and exits.<sup>14</sup>

While not directly comparable with long term welfare recipients, those with persistent low income are more likely to be eligible for welfare than those with high incomes. One in ten (10%) people in the UK were identified as in persistent low income using longitudinal survey data. Pensioners and children (12%) were more likely to be in this group than working age adults (8%).<sup>15</sup> Those in the lowest and highest income distribution groups were most likely to remain in the same income position over a seven-year period, suggesting that barriers exist in moving out of the lowest group.<sup>16</sup>

### Evidence gaps in long term welfare dependency

- While evidence exists for the cost of welfare and snapshot data on the numbers of benefit recipients, less is understood about long-term welfare use and flows into and out of long-term benefit receipt.
- Data is also available on numbers and characteristics of low-income households and children in poverty, but is limited when it comes to those who are long-term benefit recipients and their characteristics.
- Data surrounding a potential “culture of worklessness” in households is outdated and it is unclear if a culture of dependency exists.
- The role of systemic and individual factors in long term welfare receipt is unclear.

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<sup>10</sup> [IFS, 2024](#)

<sup>11</sup> [DWP, 2026](#)

<sup>12</sup> [DWP, 2025](#)

<sup>13</sup> [DWP, 2026](#)

<sup>14</sup> [DWP, 2025](#)

<sup>15</sup> [Income Dynamics: Income movements and the persistence of low income, 2010 to 2023 - GOV.UK, 2025](#)

<sup>16</sup> [Income Dynamics: Income movements and the persistence of low income, 2010 to 2023 - GOV.UK, 2025](#)



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Without this information, targeted policies for improving social mobility of long term welfare recipients is difficult to produce. Improving understanding of this group and the role of individual and systemic factors in welfare dependency will help to inform targeted policies and strategies to improve social mobility in the UK, reduce welfare spending and increase productivity. Combined with this, the policy context surrounding the welfare system offers an opportunity for the research to contribute meaningfully to wider discussions on the topic. These include the [Get Britain Working White Paper](#), and the [Pathways to Work Green Paper](#), making this a pertinent time to build understanding of those most dependent on the welfare system.

## Objectives

The SMC's primary objective is to answer the research question: **What prevents people who are long term recipients of welfare from progressing socially and economically?** To begin to answer this question, we wish to conduct quantitative research to provide an understanding of 'long term welfare recipients'. This will include:

1. Defining who is a long term welfare recipient. What is the prevalence and what are the core demographic and socio-economic factors that define this group?
2. What are the flows of people into and out of long term welfare receipt? Do people get 'stuck' on welfare?
3. What socio demographic characteristics and structural factors are associated with people flowing into and out of long term welfare receipt?

Through this research, SMC will gain a rich understanding of individuals who are long term welfare recipients, their characteristics, and the sociodemographic characteristics that are associated with moving into and out of dependency.

This evidence will inform a separate qualitative workstream (out of scope of this tender). Employing a systems thinking approach, the SMC will convene experts across the working and policy level for a series of workshops (e.g. incorporating work coaches, DWP officials, academics, think-tanks and charities). These sessions will map the interconnected components of the system surrounding long-term welfare use. It will build on descriptive evidence of those who are long term welfare recipients, to identify critical patterns, relationships, and feedback loops both at the individual and system level. In tandem with the quantitative research proposed in this tender, this holistic mapping will support SMC's wider aspirations to understand systemic barriers to progress and provide policy recommendations to reduce welfare dependency. (The supplier is not expected to recommend interventions or make wider policy recommendations.)

## Deliverables

**Deliverable 1: The supplier will provide an analysis plan for the proposed research.**

This will include a robust and rigorous quantitative methodology. We anticipate the



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method utilising existing longitudinal data such as Understanding Society or similar.

Specifically, the analysis we would like the supplier to conduct is:

- To define those who are long term welfare recipients within the data. This will require development of a suitable definition, to be agreed with the SMC. For instance, identifying those of working age who state they have not been in employment in the last 12 months and are receiving means-tested benefits.
- Identify prevalence of long term welfare recipients and their wider characteristics. This will include descriptive analysis of core demographic and socio-economic factors.
- We also welcome proposals for inclusion of pen portraits to illustrate types of people who are long term welfare recipients. This may utilise methods such as cluster analysis or predicted probabilities to understand types of characteristics of long term welfare recipients.
- Flow analysis, utilising longitudinal data to understand the flows of people into and out of long term welfare receipt.
- Exploration of socio-demographic changes that are associated with people moving into or out of long term welfare receipt.

The supplier is expected to submit their own plan for ensuring the analysis utilises suitable data sources, is methodologically robust and has proportionate quality assurance processes. Deliverable date, April 30th 2026.

**Deliverable 2: A comprehensive literature review** of what is known about those who are long term welfare recipients, barriers to progress and effective strategies for improving the social mobility of this group. This will draw on both quantitative and qualitative insights from existing literature. We expect this to be circa 5,000 words and written to be accessible to SMC's audience (see Deliverable 4). Deliverable date, June 2026.

**Deliverable 3: Longitudinal analysis.** The supplier will be expected to undertake a rigorous, transparent longitudinal analysis in line with the agreed analysis plan. The supplier will work collaboratively with the SMC to ensure analysis meets the needs of the organisation and will be expected to share and present emerging findings. A slide deck of emerging findings should be provided to support our qualitative research workstream in June 2026.

**Deliverable 4: A full report summarising methodology, findings, including all writing and drafting, and support with dissemination.** We require the supplier to conduct all of the drafting of the report. However, SMC will have editorial input into the final SMC branded product to ensure the output meets internal standards and conveys the messaging of the research accurately. As such, suppliers should produce an initial draft and receive comments from SMC.



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The audience for this report is expected to be a mix of policy-makers, social mobility researchers/academics/practitioners, and the public. Therefore, the outputs should reflect the diverse audience i.e. there should be an executive summary for policy-makers, findings should be written in non-technical language/plain English for the public and attention should be given to ensuring wide accessibility and easy interpretation of the information.

The final report should be complete by August 2026.

## Management information

All of the deliverables you produce which are new analyses (i.e. not already in the public domain) are to be kept in confidence until the publication of the report. Until this point the work you produce will be for an internal SMC audience, or our chosen stakeholders, only.

The relationship you have with us will be collaborative, with us taking your advice and you taking our steers. We expect the supplier to be able to distinguish their own organisation's positions and priorities from those of SMC and its remit. All communications will be confidential, allowing a spirit of free discussion.

The successful supplier is responsible for the final deliverables. It is expected they will respond constructively to feedback on all deliverables from the SMC Secretariat and Commissioners; and build time into their work plan for this engagement accordingly.

We will call on you to present emerging findings and analytical outputs at different stages. For example, there may be opportunities for knowledge exchange and early feedback from the SMC's officials and expert advisors as the report is developed.

At a minimum, the successful supplier will be asked to:

- Provide regular (monthly at a minimum) progress updates by email.
- Have regular meetings (primarily online) with the SMC team to discuss the research - analysis updates, emerging findings and key messages/ and interpretation of findings.
- Be available over email to address queries about the findings and their interpretation in advance of the report publication date.
- Be available to present emerging findings at different stages. For example, there may be opportunities to feed early findings into SMC's qualitative workstream. We will draw on your expertise to present early findings to Commissioners to review progress, emerging trends and policy recommendations.



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The supplier will work with SMC to prioritise activities and mitigate any risks to delivery.

We recognise the value of AI for improving efficient working practices. Use of AI should follow the [AI Playbook for the UK Government](#) with appropriate consideration for data security and validation.

## Costs and Budget

We expect proposals to be no more than £50,000, exclusive of VAT. Bids should only exceed the limit when suppliers are clear that the work is either not deliverable within this budget or that there is specific added value to the work that is achieved by increasing the budget. All costs should be quoted exclusive of VAT, but please indicate if the project will attract VAT. A detailed cost breakdown is expected in the tender bid. The tender bid should break down costs between specific outputs and deliverables outlined above.

Payments will be made by BACS transfer following receipt of a valid invoice. The successful tenderer should provide details of discounts for prompt payment.

Where the contract price agreed between SMC and the contractor is inclusive of any VAT, further amounts will not be paid by SMC should a VATable supply claim be made at any later stage.

Where the overall contract price is exclusive of VAT, SMC will pay any VAT incurred at the prevailing rate (currently 20%). If the VAT rate changes, SMC will pay any VAT incurred at the new rate. It is the tenderer's responsibility to check the VAT position with HMRC before submitting a bid.

## About our organisation

The Social Mobility Commission exists to create a United Kingdom where the circumstances of birth do not determine outcomes in life.

It is responsible for:

- Publishing an annual report setting out our views on the progress made towards improving social mobility in the United Kingdom.
- Promoting social mobility in England, for example, by supporting employers, the professions, universities and schools to play their part in promoting social mobility.
- Carrying out and publishing research in relation to social mobility.
- Providing advice to ministers (at their request) on how to improve social mobility in England – this advice must then be published.

The strategic objectives of the SMC are

- To change the debate on social mobility.



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- To provide independent advice to policy and decision makers cross-sector, so they understand how to consider socio-economic disadvantage as part of their work.
- To catalyse meaningful and measurable action by local and national government that can improve outcomes for all.

## Award Criteria

Bids will be assessed on both quality and cost. An 80-20 split will be applied with 80% of the total score for quality and 20% for cost.

## Quality

Bids will be assessed against five questions. The maximum score is 100.

Question	Criteria	Max possible score	% overall
1. Does the proposal describe a robust method / suitable approach ?	<ul style="list-style-type: none"><li>• Demonstrates a clear understanding of the objectives and approaches outlined</li><li>• Creative and constructive thinking is demonstrated by the proposed approach to this project in meeting the objectives</li><li>• The suitability of the proposed approach to deliver against requirements, and identification of any opportunities to add value to this</li><li>• Clear articulation of methods used to garner particular findings, with reference to datasets and analytical techniques used.</li></ul>	25	20%



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Question	Criteria	Max possible score	% overall
2. Team and organisational experience in conducting similar work	<ul style="list-style-type: none"><li>• Demonstrate experience of the team doing relevant work</li><li>• Evidence of experience in the challenges and considerations involved in this work</li><li>• How the skills and expertise of the team will be used and managed to best effect (where there is a partnership Please include specifics about how this will be managed, add value and any experience of successful collaboration.</li><li>• Specifics about the methodology and quality assurance process</li></ul>	25	20%
3. Risks and mitigations and data protection	<ul style="list-style-type: none"><li>• That the risks and challenges are considered, and mitigation is integrated into the proposed methodology</li><li>• Consideration of security, confidentiality and data protection</li></ul>	10	8%
4. Presentation	<ul style="list-style-type: none"><li>• Clear articulation of plans for presenting work in a clear way</li><li>• Evidence of ability to deliver high-quality research, fieldwork and outputs</li><li>• Ability to present findings clearly in both writing and visual formats (e.g. PowerPoints tailored to a range of audiences - policy makers, analysts, commissioners, wider secretariat &amp; public)</li></ul>	20	16%
5. Project management	<ul style="list-style-type: none"><li>• Clear plan for communication and demonstration of a collaborative approach to taking the work forward, working closely with SMC as appropriate.</li><li>• Evidence of organisational capacity, project management and quality</li></ul>	20	16%



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Question	Criteria	Max possible score	% overall
	assurance procedures, to deliver the project in the specified timescales and quality <ul style="list-style-type: none"> <li>The quality, timing and suitability of proposed outputs</li> </ul>		

## Scoring scale

0	Nil or inadequate response. Fails to demonstrate an ability to meet the requirement.
1	Response meets less than half the stated requirement. It is partially relevant but generally poor, lacking relevant detail.
2	Response meets some but not all of the stated requirements. Lacks detail on how the requirement will be fulfilled in several areas.
3	The response meets the stated requirement. Answers are relevant and acceptable but may lack some detail.
4	The response fully meets the stated requirement in all areas. Answers are clear and relevant, and the elements of the response exceed the requirements by offering added value.
5	The response exceeds the requirement in all areas. Answers are comprehensive, unambiguous and offer significant added value to the requirement, which benefits SMC.

## Financial scoring

Financial scoring represents 20% of the overall evaluation. The bidder with the lowest overall price will receive 20 marks, and all other bids will be marked as a proportional variance from the top-scoring bid. The formula being used for Relative Assessment for this procurement is:

$$\text{Bid Score} = (\text{Lowest Price}/\text{bid price}) \times 20$$

E.g. a bid that is 10% more expensive will receive 18 marks; one that is twice the



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price will receive 10 marks. An illustrative example is provided below:

Supplier	Price (for example purposes only)	Calculation	Final Finance Mark
A	50k	n/a	20
B	55k	$(50/55) \times 20$	18
C	70k	$(50/70) \times 20$	14
D	100k	$(50/100) \times 20$	10

## Submission of tender bid

### Timeline

<b>Tender document issues</b>	19/02/2026
<b>Last date and time for submission of clarification questions</b>	02/03/2026 at 12:00 midday
<b>Last day for the SMC to respond to clarifications</b>	04/03/2026 at 12:00 midday
<b>Deadline for tender responses to be received</b>	11/03/2026 at 12:00 midday
<b>Tender Evaluation</b>	12/03/2026 - 25/03/2026

### Instructions

These instructions are designed to ensure that all tenders are given equal and fair consideration. It is important therefore that you provide all the information asked for in the format and order specified.

Bidders must submit their Bids before 12:00 midday on 11 March 2026. All Bids must be



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submitted to [contact@socialmobilitycommission.gov.uk](mailto:contact@socialmobilitycommission.gov.uk). Failure to return Bids by the time and due date or in the required format may disqualify Bidders from consideration.

A clarification process will operate during the tender process as explained below. The objective of this process is to give Bidders the opportunity to submit questions to the Contracting Authority where they require clarification on the information provided. This is not an opportunity for Bidders to seek additional information to that already provided.

Tenders may be rejected if the information asked for in the tender and Specification is not given at the time of tendering.

Tenders will be received up to the time and date stated (12:00 midday on 11 March 2026). Those received before the due date will be retained unopened until then. Any Tender received after the Closing Time, and/or submitted by any means other than through [contact@socialmobilitycommission.gov.uk](mailto:contact@socialmobilitycommission.gov.uk) may be rejected by the Department. It is the responsibility of the tenderer to ensure that their tender is delivered not later than the appointed time.

By issuing this invitation SMC is not bound in any way and does not have to accept the lowest or any tender, and reserves the right to accept a portion of any tender, unless the tenderer expressly stipulates otherwise in their tender.

Please note the following requirements, you must not:

- Tell anyone else what your tender price is or will be, before the time limit for delivery of tenders.
- Try to obtain any information about anyone else's tender or proposed tender before the time limit for delivery of tenders.
- Make any arrangements with another organisation about whether or not they should tender, or about their or your tender price.
- Failure to comply with these conditions may disqualify your tender.

You will not be entitled to claim from SMC any costs or expenses which you may incur in preparing your tender whether or not your tender is successful.

Following the award of contract, debriefing will be available to unsuccessful tenderers on request.

## **Format of the bid**

Tenderers should present their proposals in the following format:

### **Section 1 Summary of Proposal**



## Section 2 Meeting the Specification:

Details of proposed approach;

- Methodology including constraints and possible solutions;
- Project management - Tenderers should indicate how they will monitor the project to ensure it is delivered in terms of quality, timeliness and cost. Tenders must include a work plan/Gantt chart that clearly shows the key activities and milestones leading up to the final report. It should mirror the detail on the budget template.
- Staffing, including short staff profiles covering examples of key relevant experience and individual/staff expertise and qualifications. Proposed distribution of duties should be clearly stated if the bid involves sub-contracting or collaboration between different providers; and
- Outputs, including how the findings will be presented.

## Section 3 Cost and Charging Arrangements

Costs should be shown separately by deliverables set out above. For example:

- Deliverable 1: £ Insert amount
- Deliverable 2: £ Insert amount
- Deliverable 3: £ Insert amount
- Deliverable 4: Insert amount
- Total: £ Insert amount

All costs should be quoted exclusive of VAT but please indicate if the project will attract VAT. If your proposal includes costs for sub-contractors these costs must be shown inclusive of any VAT element (e.g. sub-contractor's costs to you are £10K plus VAT, your proposal should show subcontractors costs as £12K inclusive of VAT @ 20%).

The department will also conduct its own due diligence checks in relation to the bidder's financial viability and may request additional financial information to be provided as part of this process. Whilst the department will attempt to mitigate any financial risks it may, at its own discretion, reject a bid where it assesses the financial risk to be too great to proceed with the award of the contract.

## Section 4 Risk Management

- Outline, in no more than one-page, the key risks to delivering the project and what contingencies will be put in place to deal with them.
- A risk is any factor that may delay, disrupt or prevent the full



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achievement of a project objective. All risks should be identified.

- For each risk, the one-page summary should assess its likelihood (high, medium or low) and specify its possible impact on the project objectives (again rated high, medium or low). The assessment should also identify appropriate actions that would reduce or eliminate each risk or its impact.
- Typical areas of risk for a research project might include staffing, resource constraints, technical constraints, data access, timing, management and operational issues, but this is not an exhaustive list.

## Section 5 Data Security

- Provide a plan that explains how departmental and/or personal data will be protected.
- Provide a copy of your Cyber Essentials Qualification.

## Section 6 References

For the references, the SMC requires relevant examples of similar projects you have completed and how they are similar to this tender.

Sections 1 - 4 should not exceed 10 sides of A4 and sections 5 -6 should not exceed 3 sides of A4, for a combined total of 13 sides. Any bids above that will not be considered. The font size should not be smaller than 10pt. Embedded links will not be considered, nor will Annexes that exceed the 13 page count.

Please note that the Social Mobility Commission uses the Government Standard Contracts for Procurement. For this procurement, the Social Mobility Commission will use the Short Form Contract, available [here](#).

## Clarification Questions

Bidders should submit clarification questions via email to [contact@socialmobilitycommission.gov.uk](mailto:contact@socialmobilitycommission.gov.uk). Questions received by any other method will not receive a response.

The Contracting Authority will seek to answer questions within 5 working days following the day of receipt. Bidders are urged to review the tender documentation immediately upon receipt and identify and submit any clarification questions as soon as possible and in any event no later than 04/03/2026 at 12:00 midday. Any questions received after this time may not be answered.

If any question or request for clarification to be of general significance, both the question and the response will be communicated, in a suitably anonymous form, to all



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Bidders who have expressed an interest before the closing date for the submission of the tender.

All responses received and any communication from Bidders will be treated in confidence and provision will be made for Bidders to request clarification in confidence (this request must be clearly marked at the outset of each question stating the reasons why such a question is commercial and in confidence), but in responding to such requests the Contracting Authority will reserve the right to act in what it considers a fair manner and in the best interests of the Procurement, which may include circulating the response to all Bidders. Bidders should note that no further information in addition to that provided in the ITT documentation will be provided about the Procurement at this time. Under no circumstances should Bidders approach the Contracting Authority, their staff or advisors seeking further information in relation to the requirements of the Procurement. Any such approaches (direct or indirect) may result in the Bidder's exclusion from further consideration in the Procurement process.