



# Welfare Conditionality

SANCTIONS, SUPPORT AND BEHAVIOUR CHANGE

## Written evidence from the Welfare Conditionality: Sanctions, Support and Behaviour Change Project

Submission to Equality, Local Government and Communities Committee,  
National Assembly for Wales

Inquiry:  
Making the economy work for people on low incomes

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## 1 Introduction

1.1 Our five-year (2013-2018) project *Welfare conditionality: sanctions support and behaviour change*, is funded by the Economic and Social Research Council. It involves researchers from six universities, and is exploring the ethics and effectiveness of welfare conditionality, including sanctions and support in the benefits system.

1.2 We are particularly investigating the effects of sanctions and support on the lives of nine groups: unemployed people, those claiming Universal Credit, lone parents, disabled people, social tenants, homeless people, individuals/families subject to antisocial behaviour orders/family intervention projects, offenders and migrants.

1.3 Our First Wave Findings were published in 2016<sup>i</sup>. Final research findings will be available in summer 2018.

1.4 This submission was prepared by Professor Peter Dwyer, University of York, Dr Lisa Scullion, University of Salford and Dr Sharon Wright, University of Glasgow, on behalf of the Welfare Conditionality Project.

1.5 We address our comments and evidence specifically to Committee's terms of reference concerning 'The role that welfare benefits play in supporting people on low incomes in Wales', particularly in relation to our expertise on welfare conditionality within the UK social security system.

## 2 Background

2.1 Conditionality is currently embedded in a broad range of policy arenas and its use has been extended over time to previously exempt groups (e.g. lone parents with children over the age of three, the majority of disabled people in receipt of ESA). Additionally, since the introduction of an enhanced sanctions regime in October 2012, tough penalties for non-compliance are now routinely applied to the majority of social security benefit claimants who fail to punctually attend mandatory work focused interviews (WFIs), or who do not meet their personalised work preparation or job search requirements as set out in their Claimant Commitment. Benefit sanctions range from a 100% loss of benefit for four weeks, for an initial low level transgression (e.g. non-attendance at a specified interview with an adviser), to up to three years' loss of entitlement for a repeat, third, high level offence such as failure to apply for a job.<sup>ii</sup> Subsequently, the number of benefit sanctions initially increased rapidly, before falling again post-2013. As the transition to Universal Credit (UC) continues, UC sanction rates are higher than for Jobseeker's Allowance (JSA) claimants<sup>iii</sup>.

2.2 However, policymakers' assumptions about conditionality and its effects remain largely untested. Our research seeks to answer detailed questions about how the systems work in practice, which groups are affected, why and how.

2.3 Our qualitative research project is the largest of its kind in the UK. It involves interviews with 52 policy stakeholders, 27 focus groups conducted with practitioners and three repeat qualitative longitudinal interviews (n.481 people at wave 1 interview) with nine groups of welfare service users (benefit recipients) in England and Scotland. Although our research does not include respondents from Wales, as the welfare benefit system is substantially UK-wide we believe our evidence and findings have wider resonance and applicability to Wales.

### 3 Our research findings

3.1 Our first wave research findings, published in 2016, include extensive evidence on the negative effects of welfare conditionality, i.e. linking the receipt of social security benefits to mandatory behavioural requirements (such as compulsory WFIs and training, extensive job search), under threat of benefit sanction. Key findings include:

- Most respondents report negative experiences of welfare conditionality within the social security system. The threat of sanction for non-compliance led to widespread anxiety and feelings of disempowerment among benefit recipients.
- The impacts of benefit sanctions are universally reported by benefit recipients as profoundly negative. Routinely, sanctions had severely detrimental financial, material, emotional and health impacts on those subject to them. There was evidence of certain individuals being pushed toward survival crime or disengaging from services.
- Most benefit recipients reported negative experiences of support from Jobcentre Plus or Work Programme providers. However, there were some examples of good practice, and of mandatory support helping people to improve their work or personal situations.
- Many of those in receipt of social security benefits believe that the focus of Jobcentre and Work Programme staff has shifted away from providing appropriate support and help in finding employment and is now primarily concerned with the monitoring of work search and other behavioural requirements and the application of benefit sanctions.

3.2 Additionally, our first wave findings suggest that those with specific vulnerabilities and/or complex needs, (e.g. disabled people, lone parents, migrants homeless people) have been disproportionately affected by intensifying welfare conditionality. Examples include:



- Disabled people in receipt of Employment and Support Allowance widely condemned the Work Capability Assessment (WCA) process. At best it was seen as inappropriately conducted, at worst unfit for purpose.
- Many respondents with mental health issues think that their impairments are not taken seriously and that responses to their situations and needs are often inappropriate.
- Lone parents report doing everything they can to minimise the impact of sanctions on their children, but concerns about damaging effects on innocent third parties are widespread.
- Some frontline staff who administer benefits to migrants fail to fully understand the complex regulations that apply. Flawed interpretation of the rules can lead to very negative outcomes for individual migrants who are inappropriately denied benefits and services.
- European Economic Area (EEA) migrants spoke of being denied support due to additional residency and 'genuine prospect of work' requirements. Practitioners and policy stakeholders working with refugees and asylum seekers emphasised concerns about highly qualified migrants being 'forced into low-paid, low-skilled jobs' rather than supported to make use of their pre-existing skills.
- Respondents reported that 'easements' within the social security system designed to reduce or remove work search and training requirements placed on specific groups (e.g. homeless people, lone parents) in recognition of their particular circumstances /vulnerabilities were on occasions not implemented.

### 3.3 Our research has also identified a series of issues over the implementation of sanctions.

- Harsh, disproportionate or inappropriate sanctioning was frequently reported by benefit recipients.
- The application of sanctions created deep resentment and feelings of injustice among benefit recipients.

3.4 According to a recent report by the National Audit Office<sup>iv</sup>, the DWP 'expects the possibility of sanctions to encourage people to comply more with conditions, and lead to faster entry into employment for those able to work', To date, our study has found little evidence of the application of conditionality and the use of sanctions bringing about the positive effects UK government intends:



- The common thread linking stories of successful transitions into work, or the cessation of problematic behaviour, was not so much the threat or experience of sanction, but the availability of appropriate individual support.
- There was limited evidence of welfare conditionality bringing about positive behaviour change. Evidence of it working to move people nearer to the paid labour market was rare. A minority of practitioners and benefit recipients did acknowledge some positive outcomes.
- One common change in behaviour was a heightened vigilance in meeting the demands of conditionality that did not necessarily equate with improving the prospects of finding work. Participants would, for example, ensure they arrived for appointments earlier, to avoid the risk of being sanctioned if they were delayed. Others applied for jobs they did not have adequate qualifications for, to ensure they applied for an adequate number of jobs for that fortnight.

3.5 In fact, our research has uncovered a range of counterproductive effects of behavioural conditionality and sanctions or the threat of sanctions.

- For many, the struggle to meet the requirements placed on them and coping with the secondary effects triggered by potential non-compliance negated the opportunities for achieving positive behaviour change. The application of welfare conditionality to those with caring responsibilities, ill health, disability, addiction or language difficulties was especially problematic.
- The applications of sanctions undermines the process of recovery from addiction or mental or physical health problems.
- Applying behavioural conditionality appeared to push some people away from engagement with the social security system, sometimes with grave consequences including increased homelessness, severe poverty, having no food and worsening health problems.
- Some respondents reported mandatory work search requirements as counterproductive to their entry into paid work. In this context, the online jobsearch tool Universal Job Match was particularly criticised as ineffective, a distraction from more effective job search methods, and a tool of surveillance rather than support.
- Respondents reported variable quality of and satisfaction with support. Some disabled respondents spoke of being treated like 'a number' and felt that the 'one-size fits all' approach to supporting disabled people into work was inappropriate. However, there were some examples of good practice and of mandatory support helping people to improve their work or personal situations. These included empathetic Jobcentre Plus and Work Programme

advisers, some of whom were supportive and flexible in their response to individuals' circumstances, and whose support was appreciated.

3.6 In respect of Universal Credit, our work to date show a range of experiences concerning the frequency of Universal Credit payments, with many interviewees finding the monthly payment problematic to manage because the level of payment was insufficient to meet all basic needs. In contrast, they noted that fortnightly payments made it easier to budget, particularly for ensuring that they had enough food to last them between payments. There were also particular difficulties with long delays between people making a claim and receiving their first payment (up to 10 weeks was reported by benefit recipients in our study).

3.7 While a number of respondents reported they had no problem with the housing element of UC being paid directly to them (as they had set up a direct debit to pay their rent), others found direct payment of the housing element of UC more problematic. These UC recipients expressed a strong preference for the housing element of UC to be paid directly to the landlord. This assisted with their budgeting decisions as they struggled to balance the competing costs of meeting housing and other basic needs (e.g. fuel and food) whilst living in poverty. Direct payment of the housing element provided peace of mind in respect of paying their rent and maintaining security in respect of their tenancy.

3.8 Linked to the above, direct payments were seen as being especially beneficial in potential crisis situations such as those triggered by the application of a benefit sanction. On such occasions benefit recipients reported the necessity of using their remaining 'rent money' to meet other basic needs, exacerbating rent arrears and placing tenancies at risk.

3.9 The UK Government's approach to in-work Universal Credit recipients is particularly criticised by participants in our research. Recipients think they should not be subject to similar sanctions to unemployed people, particularly in relation to missing appointments due to work commitments. Our evidence suggests a mismatch between the design of conditionality and its application to in-work claimants of UC. The job search requirements on them currently do not fit their lived experience, as they already provide evidence of their willingness to work by being in paid employment. A further mismatch exists with the fluctuating expectations of employers and changing workforce norms (including zero hours contracts that make exact working hours and times unpredictable) and the inflexible requirements of conditionality.

## 4 Concluding comments

4.1 Vulnerabilities of the kinds found in our study have brought into question key premises upon which conditional welfare interventions are based. Advocates of welfare conditionality, including the UK government, assume that people are able to make decisions and respond to both sanctions and support in rational and future-orientated ways. But many of our respondents had a very limited comprehension of the sanction, support or behavioural requirements placed on them. Some benefit recipients reported that they did not know the reason why they had been sanctioned. In such cases the rationale underpinning welfare conditionality, that its application will bring about positive behaviour change, and increased or enhanced engagement with paid work, is fundamentally undermined.

## 5 Our recommendations

5.1 We recommend:

**The National Assembly of Wales lobby the UK government to:**

- **undertake a fundamental review** of the proportionality and appropriateness of applying benefit sanctions, particularly to disabled people, lone parents with young children and in-work recipients of Universal Credit.
- **adopt a more graduated approach to sanctions** that could involve a warning system and incremental increases in any sanction applied. In the Netherlands, for example, only a percentage of benefit is withdrawn from sanctioned recipients, rather than all benefit<sup>v</sup>.
- For powers to **vary UC payments**, for a default position of:
  - Twice-monthly UC payments, if requested by claimants
  - Housing costs paid to social and private landlords (with claimant choice to receive the housing element directly)
  - Within joint claims payments to be made to the main carer, rather than the main earner (with claimant choice to opt in for main earner to receive the payment).
  - **Recalibrating the operation of in-work UC** to remove the threat of financial sanction from those already in paid employment and ensure that claimants are not sanctioned for: non-attendance at Jobcentre Plus interviews due to their existing paid or unpaid work (e.g. caring) commitments; or inability to apply for extra employment when that is incompatible with existing employment contracts.

- The National Assembly for Wales works with DWP to **expedite the administration of Universal Credit** to ensure that initial payments are made in a timely fashion.
- **Action is taken to ease the negative effects** of sanctions, improve the support, and improve implementation.
- **A reformed approach to in-work Universal Credit recipients.** Our initial findings suggest some practical approaches could be taken to overcome counterproductive effects in the UC ‘in-work progression’ system. We therefore recommend for further exploration approaches including:
  - **Improving the quality and level of support** available to in-work UC recipients to build a relationship of trust and enhance access to meaningful, sustainable and better quality work opportunities.
  - **Increasing the availability, range and quality** of training and educational opportunities for in-work UC claimants.
- **Improving the quality and level of support** available to benefit recipients benefit recipients to enhance access to meaningful, sustainable work. Some states in the US, for example, have scaled down large-scale, universal workfare programmes in preference for ‘softer’ and more flexible models that offer greater support to those with the most barriers to work<sup>vi</sup>. There is some evidence that monitoring work search activities has a positive impact of itself. A study from Northern Ireland found that this was independent of adjustments in sanctions or other aspects of conditionality<sup>vii</sup>.
- **Better implementation** within the social security system to ensure greater fairness and consistency, proper communication with service users, transparency and accountability, and attention to people’s individual needs and circumstances. Robust monitoring and reporting of sanctions is needed, particularly given the variability of sanction rates geographically and the serious impacts sanctions can have.

For more detailed analysis of the issues raised in this submission please refer to our [first wave findings](#) documents (10). We are currently engaged in ongoing analysis of subsequent waves of new data and will be pleased to feed into the committee’s work in the future.

For further information on this submission, please contact project Impact Officer Janis Bright in the first instance: [janis.bright@york.ac.uk](mailto:janis.bright@york.ac.uk)



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<sup>i</sup> <http://www.welfareconditionality.ac.uk/publication-category/initial-main-report/>

<sup>ii</sup> DWP (2012) Changes to Jobseeker's Allowance sanctions from 22 October 2012, London: Department for Work and Pensions

<sup>iii</sup> Webster D (2017) Benefit Sanctions Statistics: JSA, ESA, Universal Credit and Income Support for Lone Parents : <http://www.cpag.org.uk/david-webster>

<sup>iv</sup> NAO (National Audit Office) 2016. Benefit sanctions. London: NAO <https://www.nao.org.uk/report/benefit-sanctions/>

<sup>v</sup> Abbring, J. H., Berg, G. J., & Ours, J. C. (2005). The effect of unemployment insurance sanctions on the transition rate from unemployment to employment. *Economic Journal*, 115(505), 602-630.

<sup>vi</sup> Crisp, R., & Fletcher, D.R. (2008). *A comparative review of workfare programmes in the United States, Canada and Australia*. DWP Research Report No.533. London: DWP

<sup>vii</sup> McVicar, D. (2010). Does job search monitoring intensity affect unemployment? Evidence from Northern Ireland. *Economica*, 77, 296-313.