



# Welfare Conditionality

SANCTIONS, SUPPORT AND BEHAVIOUR CHANGE

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

### Submission to Work and Pensions Select Committee inquiry: Universal Credit 'in-work progression'

January 2016



## **1 Executive summary**

1.1 Our five-year (2013-2018) ESRC funded project *Welfare conditionality: sanctions support and behaviour change*, involving researchers from six universities, is exploring the ethics and effectiveness of welfare conditionality. 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.

1.2 Universal Credit (UC) is a very important policy development because it significantly broadens the reach of in-work conditionality. Those affected include low paid workers who would not previously have had contact with Jobcentre Plus. In-work conditionality means that those who are already working still have to comply with job search requirements. In practice, this means looking for multiple jobs or increased hours from current employers. Jobcentre Plus appointments are still mandatory, backed with sanctions for non-attendance.

1.3 Any evaluation of UC should include qualitative analysis of the full range of effects of the pilots on those taking part. Particularly given the rise in recent years in JSA and ESA sanctions, we believe the numbers and rates of in-work sanctioning under UC should be monitored and the figures made publicly available.

1.4 For those in work, UC is intended to increase labour market attachment. However, our research has found that in practice, conditionality can be counterproductive – undermining work incentives and opportunities rather than reinforcing them. Claimants were disadvantaged by a lack of support to balance the requirements placed on them. Our evidence suggests that those who want to open constructive discussions about long-term plans (eg, with lone parents) want to build a high-trust relationship – but find sanctions and mandation under the current approach get in the way.

1.5 In-work UC claimants in our study think they should not be subject to the same sanctions as 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.

1.6 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: greater emphasis on high quality flexible support, greater availability of training, education, voluntary work and other opportunities, and incentives for claimants to undertake these; and removal of disincentives and unworkable rigidities to take account of contemporary workplace practices.

## 2 Introduction

2.1 Our project *Welfare conditionality: sanctions support and behaviour change* is a five year (2013-2018) programme of research funded by the Economic and Social Research Council. It brings together researchers working in six English and Scottish Universities - University of Glasgow, Heriot-Watt University, University of Salford, Sheffield Hallam University, University of Sheffield and the University of York, which acts as the hub for this partnership.

2.2 We are exploring two key questions linked to the effectiveness and the ethics of welfare conditionality:

- First, how effective is welfare conditionality in changing the behaviour of those in receipt of welfare benefits and services?
- Second, are there any particular circumstances in which the use of conditionality may, or may not be, justifiable?

2.3 Our research involves interviews with people from cities and towns in England and Scotland (including Bath, Bristol, Edinburgh, Glasgow, Inverness, London, Manchester, Peterborough, and Sheffield) who experience varying types and degrees of welfare conditionality in their everyday lives. The focus is on nine particular groups: those claiming Universal Credit (including in-work claimants), Jobseekers Allowance claimants, lone parents, disabled people, social tenants, homeless people, individuals/families subject to antisocial behaviour orders/family intervention projects, offenders and migrants. Our briefing papers available at <http://www.welfareconditionality.ac.uk/category/publications/> offer further discussion of issues in relation to conditionality and these groups. We are conducting three waves of repeat qualitative longitudinal interviews over a two year period with 480 participants subject to welfare conditionality, to establish the longer term effects of the sanctions/support they experience. Our interim findings will be published in Spring 2016 and our final report in early 2018. For this reason we cannot offer definitive information on the effects of sanctions at this stage. However, analysis of our key informant interviews, focus groups with support workers, first wave of qualitative longitudinal interviews, and our extensive review of existing literature on this topic, do offer valuable evidence, and we summarise relevant findings here.

2.4 The evidence offered here in summary is drawn from publications available on our website at [www.welfareconditionality.ac.uk](http://www.welfareconditionality.ac.uk) and from our forthcoming findings. It includes data from key informants, focus groups with practitioners and interviews with 56 Universal Credit recipients.<sup>1</sup> Our submission follows the order of the committee's areas of interest in the evidence call, though we offer evidence on only some of the questions.

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<sup>1</sup> Over the course of the study, we anticipate many other participants currently receiving JSA and ESA will move on to claim UC and contribute to our growing evidence of lived experiences of conditionality for those in and out of work.

### **3 DWP's plans for in-work progression pilots in 2015/16, and how they should be evaluated**

3.1 Universal Credit (UC) is the new working age benefit for those out of work and those in low paid work, which intensifies and extends conditionality. It replaces six benefits – three means-tested out of work benefits (Income-Based Jobseeker's Allowance, Employment Support Allowance-Work Related Activity Group and Income Support) and three benefits that supplement low incomes (Housing Benefit, Working Tax Credit, Child Tax Credit).

3.2 Universal Credit (UC) is a very important policy development because it significantly broadens the reach of in-work conditionality. Those affected include low paid and/or part-time workers who would not previously have had contact with Jobcentre Plus. In-work conditionality means that those who are already working still have to comply with the 35 hour per week job search requirement, ie, if a claimant works 20 hours per week, they must attend Jobcentre Plus and provide evidence of 15 hours' job search. In practice, this means looking for multiple jobs or increased hours from current employers. Jobcentre Plus appointments are still mandatory, backed with sanctions for non-attendance.

3.3 We believe it is vital to evaluate all new measures introduced to the welfare system. Any evaluation should include qualitative analysis of the full range of effects of conditionality on affected, including the effect of differing combinations of sanction and support measures.

3.4 Particularly given the rise in recent years in JSA and ESA sanctions, we believe the numbers and rates of in-work sanctioning under UC should be monitored and the figures made available. We note that the DWP has previously declined to publish sanction figures for UC and would urge their publication in future.

### **4 What should in-work progression support entail and how should it be delivered?**

4.1 The logic of UC is that it is intended to encourage unemployed people to move from claiming benefits into paid work. For those already in paid work, UC is intended to increase labour market attachment. However, our research has found that in practice, in-work conditionality can be counterproductive – undermining work incentives and opportunities rather than reinforcing them.

4.2 Participants in our study were concerned at the perceived emphasis on a narrow idea of job search, ie, the extensive use of Universal Jobmatch to look for job vacancies. They felt this could be counterproductive to more meaningful approaches to improving employability, gaining relevant experience and building networks that could lead to suitable and sustainable job outcomes. For example, one participant reported:

'Some people have been told not to do voluntary work... learning skills and confidence.'

4.3 In-work UC claimants were further disadvantaged because their requirements to find work were not balanced with support to make that possible: 'They're working, it's not always as easy to access help.'

4.4 Support for Universal Credit is mainly provided online or via call centre support. However, claimants bear the significant cost of support calls and reported frequent long delays:

'If you phone it takes a long time, you're in a queue for 20 minutes.' (UC recipient)

'There are going to be thousands of folks out there who don't engage with any agencies and are just going, 'Oh my god, look at my phone bill.' (Focus group participant)

4.5 Participants suggested that those who want to open constructive discussions about long-term plans (eg, with lone parents) want to build a high-trust relationship – but suggested sanctions and mandation under the current approach get in the way:

'Need support that's not mandatory... they can have real conversations and not feel like it's ever going to get back... they can sit and have their frustrations or come out with all the stuff that they couldn't elsewhere perhaps.' (Focus group participant)

## **5 Which groups of claimants should be included and which should be exempt?**

### **In what circumstances would it be appropriate to sanction a Universal Credit claimant who is in work?**

5.1 Our initial findings concerning UC and in-work conditionality show a mismatch between the design of conditionality and its application to in-work claimants. In-work UC claimants were subject to job search requirements and surveillance, which were designed on the assumption that claimants need to be cajoled into active job search. This assumption does not fit the lived experience of in-work claimants, who already provide evidence of their willingness to work by being in paid employment. Those who were sanctioned whilst in employment felt it was unfair.

'It's a bit degrading... my adviser, she isn't too bad. She says to me most times, 'I'm quite happy with what you're doing, and obviously you want to work because you're working, and it's not as though you're not looking for jobs'. But like they're always checking up on you. They always want to know...'If I wasn't happy with you, we can sanction you'. Every other

meeting it's kind of there, a reminder that like keep on doing what you're doing, otherwise this will happen to you.' (UC recipient)

5.2 In-work UC claimants in our study think they should not be subject to the same sanctions as unemployed people, particularly in relation to missing appointments due to work commitments, where the penalty is disproportionate to the 'offence':

'I was working at the time... it was something like, 'we're going to charge you £10 a day for seven days' and I said, 'What, you're going to fine me £70 for missing an appointment that I couldn't even ring you to tell you that I'd be late?' (UC recipient)

5.3 Our evidence highlights the inflexibility of the Jobcentre Plus appointments system. It was not usually possible for claimants (whether in or out of work) to change their appointment time with Jobcentre Plus, even with good cause. This system created unnecessary sanctioning of compliant claimants who offered reasonable grounds for changes to their availability.

5.4 Participants also noted that changing work norms (such as zero hours contracts without guaranteed regular hours) could make it difficult to predict actual working hours. For example, an in-work UC claimant could have full-time work one week and no work the next, which makes their obligations in relation to attending Jobcentre Plus appointments variable and confusing. Furthermore, because of their contractual obligations to be available for work for their first employer, they might be less attractive to a second employer:

'All the first employers want you to be available at the snap of a finger for the zero-hour contracts... So when you go for a second job, if you're in retail everybody's going to want you on a Saturday, aren't they? If you go, 'Oh no, I'm at such-and-such that day' they're going to go, No.'

This reflects the mismatch between the expectations of in-work UC conditionality and contemporary workplace practices.

5.5 Ongoing analysis of our data has found that the logic of using threats of sanction to promote job search behaviour was undermined in cases where recipients were keen to find work and taking the appropriate action, but were sanctioned as a result of poor communication (for example, not being informed of appointments) or inflexible and counterproductive requirements that were implemented unresponsively. Being sanctioned and being threatened with a sanction create anxiety and low mood that can act counterproductively to make it harder to retain a job. One in-work UC claimant reported being sanctioned for long periods after missing multiple Jobcentre Plus appointments because of unpredictable working hours and variable care demands:

'I'm on my court order for the eviction plus because of my arrears... I kept thinking, 'Why is this happening? Why is this?'... I really was struggling. I fell behind on a lot especially because with the sanctions and then when I got

poorly and I wouldn't work and, because of the sanctions, I still wasn't getting my main allowance. I was still getting only hardship of £100 odd and I still had to pay the £100, so I was very, very struggling with that... I just asked them, 'Can you please explain what my money is because I really don't know? I've never had a proper payment and just explain like am I still sanctioned?' They said, 'No, your sanctions have now come up' but now every month I've had the hardship, I now have to pay all them back. So, I think it was like £2000 something that they'd actually given me over the year in hardship payments, so I'm still currently paying them off now... You're in a rut like I've been with the bailiffs... I've never really been in a debt like that and for it to still carry on now to this day escalating, it's not nice for people. It doesn't give you much confidence. It doesn't really make you want to go into work all happy and carrying on, do you know? It knocks you down and down and it wears you out.'

## **6 Is there any UK or international evidence on effective ways of encouraging in-work progression?**

6.1 The current evidence base on benefit sanctions does not enable one to untangle the relative impacts of the job search conditions themselves, the sanctions regime that enforces them, and any accompanying forms of support.

6.2 New evidence on 'exclusionary employment' (1 in 3 UK adults do paid work offering inadequate material benefits) shows that the underlying rationale of 'in-work progression' for UC recipients needs to be rethought since:

- 'wider economic restructuring has produced rising inequality and insecurity for those in employment'<sup>2</sup>;
- 'a substantial proportion of the working poor already work full-time (39 per cent using the PSE poverty measure) or live in a household with work intensity above 80 per cent (36 per cent) – and one in five of the working poor (19 per cent) are in both categories. In these cases, more work cannot be the solution.'<sup>3</sup>

6.3 Our preliminary findings include a range of concerns about unintended (and less intended) consequences of welfare conditionality, particularly the hardship faced by those excluded from benefits, services and/or support as a result of failing to meet behavioural requirements. Our analysis to date suggests the current in-work conditionality within UC is unresponsive to people's actual needs, and can be counterproductive in enforcing a system that is not well matched to contemporary workplace practices.

## **7 Recommendations**

7.1 Our initial findings suggest some practical approaches to overcome counterproductive effects in the in-work conditionality system.

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<sup>2</sup> Bailey, N. (2016) 'Exclusionary employment in Britain's broken labour market', *Critical Social Policy*, 36 (1), 1-22, p2

<sup>3</sup> p11-13

7.2 Over the past decade the role and potential of appropriate support has been somewhat marginalised and the extended use of sanctions is now predominant. We therefore **recommend for further exploration** the following approaches:

- **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 and **incentivising participation** in such schemes within the in-work UC system.
- **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 (eg, caring) commitments;
  - Inability to apply for extra employment when that is incompatible with existing employment contracts.