

**Commons Public Accounts Committee hearing:  
NAO report on benefit sanctions**

**Written Evidence**

**December 2016**

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## 1 Background

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 Our [first wave findings](#) were published in 2016. Final research findings will be available in 2018.

1.3 This submission was prepared by Professor Peter Dwyer & Dr Janis Bright, University of York, and Dr Sharon Wright & Dr Alasdair B R Stewart, University of Glasgow, on behalf of the Welfare Conditionality Project.

## 2 The issues raised in the NAO report

2.1 As the NAO report notes (1.12), there has been a substantial increase in the scope, severity and length in the use of JSA sanctions over time, and particularly since the 2012 Welfare Reform Act. There has also been an increase in both the number and rate of ESA claimants who are sanctioned. Evidence from our first wave research findings suggests that those with specific vulnerabilities and complex needs, such as homeless people, lone parents and disabled people, have been disproportionately affected by intensifying welfare conditionality.

2.2 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 3, the majority of disabled people in receipt of ESA). The NAO notes correctly (1.13) that policy-makers' assumptions about conditionality and its effects remain largely untested. Our own research seeks to answer detailed questions about how the systems work in practice, which groups are affected, why and how.

2.3 International evidence on conditionality is summarised in the NAO report (Figure 21). Evidence reviewed in the first phase of our own study is broadly in line with this. It indicates broadly that benefit sanctions (especially severe sanctions) substantially raise exits from benefits, and may also increase short-term job entry; but the longer-term outcomes for earnings, job quality and employment retention appear unfavourable. In particular, concerns remain about the destinations of those who exit benefits, and whether increasing numbers are becoming 'disconnected' from both work and welfare.

There are also concerns about unintended (and less intended) consequences of conditionality, particularly the hardship faced by those excluded from benefits, services and/or support as a result of failing to meet behavioural requirements. Our own research is producing evidence on this issue (see below).

2.4 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 (WSUs) in England and Scotland. Our 'first wave' findings, published in 2016, include extensive evidence on the negative effects of conditionality and sanctions:

- Most respondents report negative experiences of conditional welfare interventions. Linking continued receipt of benefit and services to mandatory behavioural requirements under threat of sanction created widespread anxiety and feelings of disempowerment among WSUs.
- The impacts of benefit sanctions are universally reported by welfare service users 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 WSUs reported negative experiences of support from Jobcentre Plus or the Work Programme. However, there were some examples of good practice, and of mandatory support helping people to improve their work or personal situations.
- Many WSU believe that the focus of Jobcentre and Work Programme staff has shifted away from providing appropriate support and is now primarily concerned with the monitoring of work search and other behavioural requirements and the application of benefit sanctions.

2.5 The NAO report draws attention to a series of issues over variable implementation of sanctions (2.6-2.12). Our study found that:

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

2.6 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', the NAO finds (3.1).

To date, our study has found little evidence of conditionality and especially the application of sanctions bringing about the positive effects 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 WSUs 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.

2.7 In fact, our research has uncovered a range of counterproductive effects of 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.
- Applying behavioural conditionality appeared to push some people away from available support, sometimes with grave consequences including having no food and worsening health problems. Sanctions could undermine the process of recovery from addiction or mental or physical 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.

2.8 The 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.

2.9 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 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 WSUs 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, is fundamentally undermined.

2.10 The NAO report notes that the DWP has rejected calls for a wider independent review of sanctions (3.7). It also refers to the DWP's lack of engagement with the focus groups in our own research project (3.8). We are continuing to try to engage with these important stakeholders as our project moves forward.

### 3 Our recommendations

3.1 We recommend:

- **A more fundamental review** of the appropriateness of applying benefit sanctions to disabled people, lone parents with young children and in-work recipients of Universal Credit.
- **Government should work with independent researchers to build the evidence base on the effectiveness or otherwise of sanctions and support.** Our study would welcome engagement from the DWP and its Work Programme contractors to enable us to include them in our focus group research. This would feed through into our final report. In addition, we welcome the NAO's call for a wider review of the sanctions regime, to inform future policy and practice.

3.2 We recommend that action should be taken in parallel to ease the negative effects of sanctions, improve support, and improve implementation. We recommend:

- **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 benefits is withdrawn from sanctioned recipients, rather than all benefit<sup>1</sup>.
- **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 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; or inability to apply for extra employment when that is incompatible with existing employment contracts.
- **Improving the quality and level of support** available to 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>ii</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>iii</sup>
- **Incentivising benefit recipients** to undertake training, educational or job search activities. This approach could draw on other areas of public policy where incentives are used to promote behavioural change.
- **Better implementation** 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 available at <http://www.welfareconditionality.ac.uk/publications/first-wave-research-findings/>

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