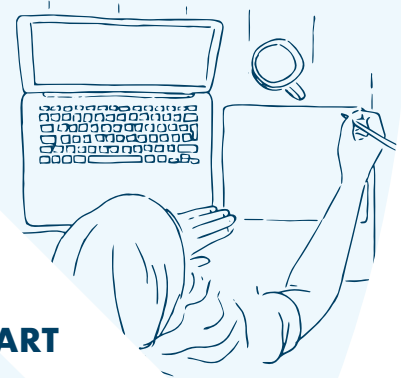


Final findings: Universal Credit

May 2018

**SHARON WRIGHT, PETER DWYER, KATY JONES,
JENNIFER MCNEILL, LISA SCULLION and ALASDAIR BR STEWART**

This briefing presents the key findings for the Universal Credit (UC) sample of the Welfare Conditionality project. These findings draw directly on the experiences of 46 UC recipients (from an original sample of 58) who took part in at least two of the three waves of repeat interviews, undertaken between 2014 and 2017. The sample includes in-work and out-of-work recipients. These interviews were conducted alongside additional interviews and focus groups with policy stakeholders and practitioners.



Key findings

- Throughout the sample, and across the three waves of interviews, UC recipients were keen to work and demonstrated intense efforts to find jobs and/or self-employment.
- Despite constant and concerted job seeking activity, the overall picture in terms of employment outcomes was relatively neutral, with similar numbers of transitions from unemployment into paid work (15) as from paid work to unemployment (12). Sixteen interviewees were out of work at all waves of the study; eight of those were disabled or had a long-term health condition.
- Paid work was often experienced as elusive or transitory – more like a moving target than a destination.
- However, for the majority, the extensive and stringent conditionality of UC brought far more harm than good; did not ensure a move into paid work; and had little impact on meaningful in-work progression or sustainability.
- Conditionality was usually experienced negatively by both in-work and out-of-work recipients.
- Across the sample and over the three waves, the experience of UC conditionality held two core features:
 - persistent and anxiety-provoking threats to withdraw essential income without notice via sanctions for minor infringements (such as being late for a Jobcentre Plus appointment). Recipients felt at the mercy of unpredictable decisions beyond their influence.
 - heavy pressure to apply for a high volume of job vacancies (some of which were inappropriate), involving regular long hours of documented job search activity (for example, via Universal Jobmatch) – even for those already in paid work. Much of this mandatory activity was futile or counterproductive.
- Support was largely lacking and consisted mainly of ‘do-it-yourself’ online job searching. Recipients felt the system operated to ensure compliance with conditionality requirements, with minimal or no meaningful support to find work or negotiate more hours, higher pay or advancement.

www.welfareconditionality.ac.uk

Introduction

Discussions in this briefing focus on three central themes. First, the effectiveness of welfare conditionality in enabling people to enter and sustain paid employment. Second, how welfare conditionality is experienced by Universal Credit (UC) recipients. Third, ethical debates about the appropriateness of welfare conditionality for UC recipients in different circumstances and the introduction of in-work conditionality.

Context

Universal Credit (UC) is the new working age benefit that replaces six existing payments (Income-Based Jobseeker's Allowance, Employment and Support Allowance, Income Support, Working Tax Credit, Child Tax Credit and Housing Benefit). UC is being rolled out across the UK. Its [stated aims](#) are to: simplify working age benefits, ease the transition between benefits and paid work, improve work incentives, provide employers with flexible workers, reduce fraud and error and prevent poverty. However, after UC was introduced, several [changes and cuts](#) were made, which reduced its generosity and [undermined its ability to deliver](#) on these promises. Here, we focus on the [impacts of the new conditionality regime](#) inherent in UC, which extends full-time jobsearch/work requirements, backed by sanctions (lasting indefinitely 'until compliance' and up to three years) and mandatory forms of support to in-work recipients, as well as partners of recipients, for the first time.



Findings

Behaviour change

A core justification for the intensive conditionality inherent in UC was that it would lead to 'positive behaviour change' to improve work incentives so that people would move into and progress in paid work. However, 17 of the UC recipients we spoke to had already proven their intention to work by having a job at the start of the study. Nevertheless, they were required to meet with work coaches at Jobcentre Plus and to apply for extra hours or additional jobs (usually to full-time). Forty-one of our sample began the study out of work and were subject to conditionality in much the same way as Jobseeker's Allowance recipients, the main differences being: that their payment came monthly (rather than fortnightly), there was a long wait for their first payment, which also included an element for housing (which previously would have been paid directly to their landlord), the claims process was digital and they had to pay for phone support.

EMPLOYMENT TRANSITIONS

Over the three waves of interviews, the UC recipients we spoke to were keen to work and there was considerable movement in and out of work, with changes between jobs (including self-employment) and in-work patterns (such as between different jobs and/or varying hours of work, full-time/part-time/short-hours, variable hours, self-employment). Overall:

- Sixteen recipients completed all three waves of the study and were out of work for all three interviews, eight of whom were disabled.
- Eight recipients remained in work for every interview we had with them; five of these completed all three waves of the study.

Overall, employment outcomes were relatively neutral, despite the intense job seeking efforts of the sample (including applications, job interviews, training courses, education, volunteering and work placements); while 15 recipients moved from unemployment to work, 12 moved from paid

work to unemployed. Whilst this analysis is not statistically significant, it does demonstrate that UC conditionality does not necessarily result in beneficial job outcomes for recipients.

- At the **start** of the study (wave a):
 - 41 recipients (about two-thirds) were out of work
 - 17 recipients (about a third) were in paid work.
- By **wave b** of interviews, about a third (5 recipients) of those had lost their job; over half (10) maintained their employment position; two recipients who originally worked part-time moved into full-time work; and one person who started the study working full-time moved to part-time hours. Three dropped out of the study.
 - Also at wave b, 10 recipients who were out of work at wave a had entered paid work (five worked full-time; two were self-employed; two had variable hours and one worked short hours).
- By **wave c**, about a third (five recipients) of those who started the study in-work were out of work; and about 40% (seven recipients) were in employment. Five recipients were in paid work at the time of all three waves of interviews.
 - Of those (10 recipients) who had moved into paid work by the second wave of interviews, five were still in employment and three were out of work again by wave c and two dropped out of the study. Five maintained their hours of employment.
 - Also at wave c, three recipients who had been out of work in the previous two waves, found a job part time or with variable hours.
- Four recipients were self-employed at one or more waves.

Paid work was often experienced as elusive or transitory – more like a moving target than a final destination. Although the total number of UC recipients in full-time work did increase throughout the study (from five to eight), the majority experience of those we spoke to was of being out of work.

- Ongoing employment remained out of reach for most of those we spoke to.
- A sizeable proportion of those who started the study in work subsequently lost their jobs (nine recipients, over half¹ of those who were working originally).
- Around a third of recipients who started the study out of work (13 recipients) found employment over the course of the study (three of those subsequently lost that job).

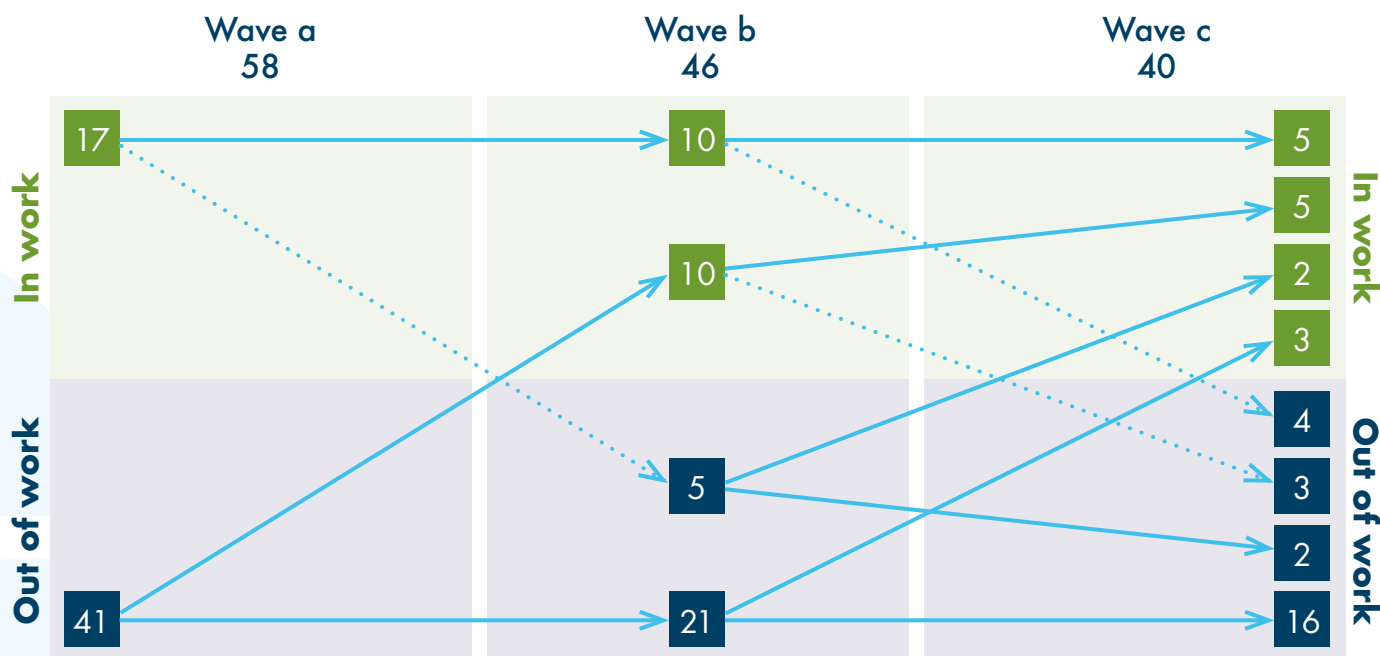
For most interviewees, UC conditionality did not lead to gaining or progressing in paid work. Those we spoke to were already motivated to look for work, were currently in employment and/or had worked in the recent past. Those who did move from

unemployment to paid work did it independently (or with help from family). Some found it patronising to be treated as if they were not looking for work or did not know how to: at the first wave, one unemployed recipient (who later found zero hours contract work as a cleaner at second and third interviews) said:

“ They want me to basically use my time to look for jobs... I do that anyway. I don't need them to tell me.”

(UC RECIPIENT, MALE, ENGLAND, WAVE C)

UNIVERSAL CREDIT: work trajectories



Note: 12 left the study at Wave b, 6 left the study at Wave c

Note: This simplified graphic represents participants' work status at the point of interview and does not capture the various movements by participants into and out of work between interview waves. Nor does it capture complexities such as movement into/out of self employment, short and variable hours or zero hours contracts.

Support

Tangible support for improving job prospects or progression was largely absent. Many interviewees wanted access to voluntary support without the threat of sanctions. The main form of 'support' was self-directed use of the online job vacancy site Universal Jobmatch. The secondary route for support was the costly telephone service (up to 55p per minute, since made free). The claiming process for UC is digital. Face-to-face appointments with a job coach were difficult to request, cursory in nature, but mandatory and inflexible if scheduled by Jobcentre Plus. The primary focus was on ensuring compliance with the requirements of the Claimant Commitment and disciplining recipients through the threat or use benefit sanctions.

“ They say interview but it's actually interrogation...an agreement right, you've not got much say... agree to this or bugger off, you're not getting money; that's the choice.”

(UC RECIPIENT, MALE, SCOTLAND, WAVE A)

“ Get them to be more civilised... Treat people with the respect they deserve whether they're unemployed or not... There's big signs going around that Jobcentre and no abuse or whatever will be tolerated. Well, yes, it works both ways.”

(UC RECIPIENT, MALE, ENGLAND, WAVE A).

Many interviewees reported negative experiences with work coaches including not being listened to, feeling judged, a lack of compassion, and feeling under suspicion. However, experiences varied and some UC recipients reported positive interactions with some work coaches. Most noted variation in the attitudes and expectations of different work coaches:

“ They've motivated me to get jobs and they've been really good.”

(UC RECIPIENT, MALE, ENGLAND, WAVE A)

There was some evidence that Jobcentre Plus had facilitated training that led to work that would not otherwise have been possible:

“ [They] got me the card [certification], I did the training, and I did the test, and that was all free. Normally it would cost quite a bit of money to do all of that... and it's got me into work... Literally, on the day after I received that card I was in work.”

(UC RECIPIENT, MALE, ENGLAND, WAVE B)

There were mixed views on mandatory work placements, with some viewing them as useful and enjoyable (UC recipient, female, England, wave b) and others feeling disheartened knowing it would not lead to a job and 'scared of what they're going to put you on next' (UC recipient, male, England, wave a). There was a clear consensus that mandatory work placements should pay a proper wage.

There were also mixed views on the Work Programme. Some deemed it supportive as it offered a routine and enabled them to get out of the house (UC recipient, male, England, wave c). A minority who had received financial help to cover the costs of transport and interview clothing, or ongoing support to identify employment opportunities, valued it (eg UC recipient, male, England, wave b). A small number had found work, or felt they were closer to it, following their participation in the Work Programme.

“ I feel it helped me, I feel it increased my chances so much.”

(UC RECIPIENT, FEMALE, SCOTLAND, WAVE A)

Sanctions

Thirty-five of our interviewees experienced a sanction over the course of the research, including five who were in-work UC recipients when sanctioned. Reasons for sanctions most commonly included missed or late appointments (including cases where the reason for missing an appointment that could not be rescheduled was that the recipient was working) and not meeting the job search requirements. In many instances, recipients felt their situations were not considered by 'decision-makers'. Some, for example, had missed appointments due to a family funeral, having family in hospital and in one case hospitalisation following a suicide attempt. In some cases, sanctions were a result of miscommunication and in others there was confusion over why sanctions had been applied. One participant, who had experienced multiple sanctions in the past, reflected that they had since managed to avoid sanctions because they only now understood the system and what was expected of them (UC recipient, male, England, wave b).

Interviewees described being repeatedly warned that they might be sanctioned (without having committed any 'offence'). The constant threat of sanction meant that recipients experienced a great deal of stress and anxiety.

Sanctions worsened people's situations, resulting in financial hardship, debt, alcohol abuse, feelings of shame, and deteriorating mental health.

“ It’s just gradually got worse, and with my anxiety and depression, the stress of this Universal Credit, the stress of trying to get jobs, and just trying to function within a flat.”

(UC RECIPIENT, MALE, ENGLAND, WAVE C)

Several respondents had to borrow money from friends and family following a benefit sanction, putting a strain on relationships. Some resorted to using foodbanks, including one man who was claiming UC whilst in work; others went without food, and many were worried about losing their home:

“ It’s not only losing benefit, as in losing money for your food and that, I’d lose my house as well.”

(UC RECIPIENT, MALE, ENGLAND, WAVE B)

Furthermore, sanctions created unnecessary barriers to moving into paid work. One interviewee, for example, was unable to cover the costs of travel involved in job searching:

“ The sanctions, I think, have held me back from being able to go and look for work... I wasn’t able to get out and look for work further away, but if I wasn’t sanctioned I would’ve been able to look for work in [nearby city].”

(UC RECIPIENT, MALE, ENGLAND, WAVE B)

Another man, who was working at all three waves of the study, was pressurised to apply for a job that he knew he could not be considered for:

“ I was looking for jobs that I had no training in... I’ve never worked in a kitchen. The first thing you do when you ring up is, ‘Have you got any experience?’ ‘No’ ‘Well sorry’... I’ve been in prison. They wanted to get me a job in a care home. I’m like, ‘They wouldn’t give me a job in a care home’. ‘Well ring up for it and I’ll be checking’ but the first thing I said to the woman was, ‘I’m going to have to tell you the truth I’m not long out of prison’ and she said, ‘Well we can’t employ you but thanks very much for telling me’. Basically, my job adviser was saying, ‘Apply for it just so I can see you’re applying for jobs.’”

(UC RECIPIENT, MALE, ENGLAND, WAVE C)

For others the experience of sanctions led to them disengaging from UC altogether:

“ I said to him [work coach], ‘I’m not going to argue with you and I’m trying my best,’ or these words to that effect, and with that I left the Jobcentre and I’ve not returned.”

(UC RECIPIENT, MALE, SCOTLAND, WAVE B)

The extent to which people appealed decisions varied, with some feeling there was no point and others who did appeal the sanction but were unsuccessful.

For those claiming **UC in work**, it was often a struggle to meet conditions to attend Jobcentre Plus appointments, attend training courses or seek increased hours or multiple jobs. UC conditions often conflicted with work commitments such as shift work, commitments to recovery or childcare.

“ [T]he lady was saying to me was, ‘Well, you can get another job’, well, I can’t get another job because I work evenings and I work in the day on this job, so I haven’t got time to get another job.”

(UC RECIPIENT, MALE, ENGLAND, WAVE B)

Indeed, meeting in-work conditions was particularly challenging for those working variable hours. One interviewee described the mismatch between the flexible expectations of his employer and rigid requirements of Jobcentre Plus:

“ I go down [to JobCentre Plus] and say, ‘Look, I’m doing 16 hours with more hours promised.’ [The work coach says] ‘Well you’ll have to look for another job’... That’s scurrilous because I’ve got my employer on one hand wants me to do mornings and would like me to do an evening shift, you know. I never get told what day I’m working. So, I can’t go to another employer and say, ‘Look...I can probably fit in another 20 hours work a week but I don’t know when I can work for you.’”

(UC RECIPIENT, MALE, ENGLAND, WAVE A)

Sanctions increased pressure to look for work. One interviewee, who had been sanctioned in the past, explained that it strengthened his existing resolve and he did find work (via a friend) by the second wave of the study. However, he was unemployed again by the third wave, highlighting the precariousness of the labour market.

“ It made me more determined in finding a job and working my arse off and being a better person than what the Jobcentre made me out to be.”

(UC RECIPIENT, MALE, ENGLAND, WAVE C)

Another UC recipient said that a past sanction did not lead her to gain employment because she had depression and was too unwell to seek help. At the second wave interview, she reported that being threatened with a sanction did pressure her into taking an unsuitable job, which proved too stressful to be sustainable:

“ It worked on me, anyway. I got myself a job. So, you know, and I thought, ‘Well, that’ll please them [Jobcentre Plus], 18 hours a week.’... Didn’t please me.”

(UC RECIPIENT, FEMALE, ENGLAND, WAVE B)

Interviewees explained that they had applied for jobs they knew they had no chance of getting, did not want or were not qualified for to meet their Claimant Commitment and avoid a sanction:

“ They said to me when I first signed on, ‘Would you do a zero-hours contract?’ I said, ‘Well what if I say no?’ She said, ‘We’ll sanction you, you won’t get any money.’”

(UC RECIPIENT, MALE, ENGLAND, WAVE C)

One interviewee continued to apply for jobs even though they felt too ill to work just ‘to try and keep the Jobcentre happy’ (UC recipient, male, England, wave a).

UC conditionality was counterproductive in some cases, moving recipients further away from work and affecting their mental health:

“ I’d had to do that much work in order to claim. Then I was not getting the money that I was entitled to, and it actually put me into clinical depression, which I ended up on tablets from the doctors for depression. It actually stopped me getting a job. I would have probably got a job within two or three weeks. Instead, it ended up as about four months, and that was solely down to the way I was treated. It dragged me down.”

(UC RECIPIENT, MALE, ENGLAND, WAVE C)

This ‘counterproductive’ aspect of conditionality was evident not just in relation to job search activities, but also the training courses that some people had been mandated to attend. Indeed, some felt this had taken them away from what they perceived to be more productive activities. For example, one recipient at the time of the third interview when he was unemployed (though he had been in full time work at first and second interviews):



“ I was told I had to go on it... It’s absolutely done nothing to help me... I couldn’t look for work whilst I’m there all the time. So, if anything I think it actually stopped me from finding work.”

(UC RECIPIENT, MALE, ENGLAND WAVE C)

Recipients encountered numerous barriers to fulfilling the conditions that were set. The requirement of a 35-hour job search, for example, was considered both unreasonable and difficult to comply with. Problems with internet access were an issue for some who could not afford internet at home or did not have a computer. Other barriers to fulfilling conditions including maintaining motivation to search over long periods of time.

“ This idea that you can look for work for seven hours a day, I think it’s really unrealistic... it’s just so psychologically demanding to stay positive.”

(UC RECIPIENT, FEMALE, ENGLAND, WAVE C)

Ethics

Most participants agreed with the principle that unemployed people should attend appointments and look for work. However, this often contrasted with interviewees’ own experiences of being sanctioned or threatened with sanctions, which was usually seen as unfair and disproportionate, particularly where there were children in the household and for ill or disabled people. The use of conditionality for low paid workers claiming UC was seen as profoundly unfair because those recipients were already meeting their responsibility to engage in paid work.

Interviewees had mixed views on the ethicality of sanctions. Some felt that sanctioning was inappropriate:

“ It’s an abuse. I think it’s an abuse of your civil liberties.”

(UC RECIPIENT, MALE, ENGLAND, WAVE C)

Others felt that the sanctions should involve reduction rather than stopping of benefit payments, and that a ‘warnings’ system should be in place so that recipients could avoid sanctions.

Conclusions

The analysis of longitudinal interviews with UC participants found that welfare conditionality was neither effective nor ethical. The current sanctions regime is unfit for purpose because it has widespread and deeply negative impacts on wellbeing whilst failing to improve employment outcomes substantially or enable beneficial in-work progression. The application and threat of sanctions impacted negatively on in-work and out-of-work UC recipients and did more harm than good in terms of gaining or progressing in work. The stringent sanctions regime did ensure compliance with conditionality requirements, but could be counterproductive in creating unnecessary barriers to paid work. Even some working recipients experienced financial hardship, were forced to use food banks, accumulated debt or risked losing their homes because of arrears

and had worsening physical and mental health. Several interviewees reported being pressurised to apply for unsuitable or unsustainable jobs. In-work conditionality was mainly viewed as unfair and illogical and the requirements set by Jobcentre Plus were in some cases at odds with the realities of the contemporary labour market. Working recipients reported struggling to attend Jobcentre Plus appointments and increasing their hours or work or number of jobs was ineffective in moving them out of poverty or improving the quality of their work. This heavy pressure to spend many hours taking ineffective action was not well supported. Most UC recipients experienced 'support' as self-directed (i.e. 'do-it-yourself' online job search), costly (using the expensive telephone line) or inaccessible (claims are digital). There remains a need for effective support services.

ENDNOTES

- 1 These figures are descriptive of our qualitative sample and are not representative of the entire UC population; these figures are not generalisable or significant statistically.

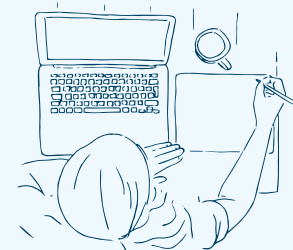
NOTE ON METHODS

The original 58 UC participants (40 men and 18 women) were sampled in a range of locations (in or near Bath, Inverness, Manchester and Glasgow). This report examines the experiences of the 46 interviewees who took part in follow-up interviews (46 interviewed twice, 40 interviewed three times), 29 of whom were engaged in paid work at the time of one of the waves, and 35 of whom reported having received one or more benefit sanctions.



Key policy recommendations

- There is an urgent need to reform the benefit sanctions system to ensure that UC recipients are treated with empathy, dignity and respect.
 - Financial penalties should be removed for households including vulnerable people, such as children, disabled people or those with long-term physical or mental health conditions;
 - The length and severity of financial benefit sanctions should be reduced to ensure: a) proportionality (that ordinary occurrences like being a few minutes late for an appointment are related only to minor consequences that are not life-altering); b) human dignity (that recipients retain essential income to ensure basic human needs are met, including food, heat, shelter and health);
 - The process of applying sanctions requires improvements to guarantee: a) compassionate consideration of 'good cause' for non-compliance; b) clear advance warning of the intention to apply a benefit sanction and c) an effective warning system that precedes any detrimental action.
- Conditionality-free UC trials should be tested.
- There is an urgent need to reconsider the application of counterproductive in-work conditionality
- Easements to enable part-time working (and part-time job seeking) should be legally protected (rather than dependent on power-infused discretionary negotiations), particularly for carers (including mothers), disabled people and those with long-term health conditions.
- High quality support and training should be provided to enable more meaningful engagement with out of work UC recipients who are keen to find and retain paid work.
- The design of UC needs to be rethought to ensure that paid employment is financially viable and that working recipients are better off in employment and no longer live in poverty. For example: by increasing work allowances and reducing the taper at which UC is withdrawn in relation to earnings.
- Support systems should be free to use, easily accessible (it should be possible for a UC recipient to speak to their work coach face-to-face at short notice) and flexible (JCP appointments should be flexible enough to allow compliant recipients to reschedule without penalty when they have good cause for non-attendance).
- Referral to courses and back-to-work support needs to offer clear advantages to the recipient, and avoid repeat referrals to similar basic courses.
- Conditionality-free back-to-work support should be tested.
- Universal Jobmatch should be replaced by a system of support that enables effective job outcomes, rather than facilitating sanctions.



This briefing was written by: Dr Sharon Wright and Dr Alasdair BR Stewart, University of Glasgow; Professor Peter Dwyer, University of York; Katy Jones and Dr Lisa Scullion, University of Salford; and Dr Jennifer McNeill, Universities of Sheffield and York.

Welfare Conditionality: Sanctions, Support and Behaviour Change is a major five-year programme of research funded by the Economic and Social Research Council. The project is creating an international and interdisciplinary focal point for social science research on welfare conditionality and brings together teams of researchers working in six English and Scottish Universities.

Other briefings in this series and full list of references can be found at www.welfareconditionality.ac.uk/publications. Data from the study will be available from 2019 at www.timescapes.leeds.ac.uk.