

Public Accounts Committee inquiry: Universal Credit

Written Evidence

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1 Background

1.1 Our five-year (2013-2018) independent research 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 This submission was prepared by on behalf of the Welfare Conditionality Project.

1.3 Our qualitative longitudinal research project is the largest of its kind in the UK. One stream of the research involved repeat interviews with 58 Universal Credit recipients (40 men and 18 women), who were sampled in a range of locations (in or near Bath, Inverness, Manchester and Glasgow). 46 interviewees took part in follow-up interviews (46 were interviewed twice, 40 were 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. Interviews were conducted at average twelve-month intervals across a two year period, between 2014 and 2017.

1.4 Universal Credit extends and intensifies welfare conditionality and benefit sanctions to new groups such as disabled people, lone parents with young children, low paid workers and their partners¹.

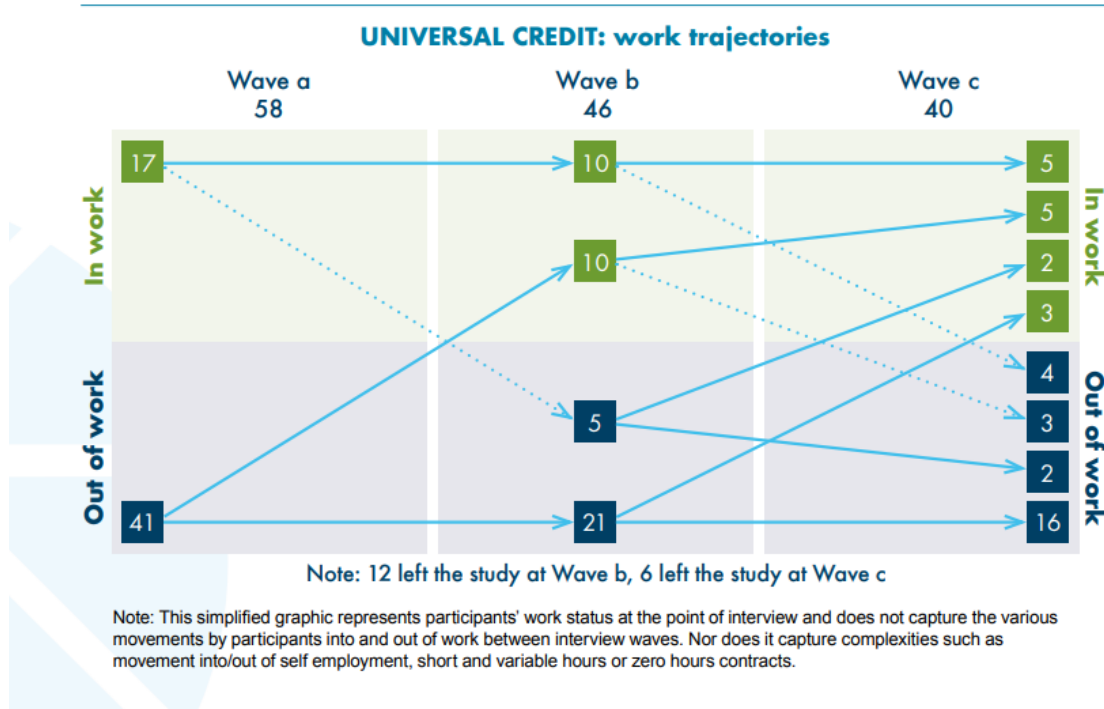
Our [final Universal Credit findings](#) which draw directly on analyses of the original data generated in our fieldwork were published in May 2018. Earlier [interim Universal Credit findings](#) draw on the first wave of fieldwork published in May 2016. This submission draws on that evidence.

2 Findings: Universal Credit, sanctions and support

2.1 **Work incentives and sanctions are ineffective.** Universal Credit was intended to improve financial work incentives and deter non-compliance by using sanctions, to enable recipients to move paid employment. Over the three waves of interviews, the UC recipients we spoke to were keen to work and already displayed high intrinsic motivation to look for and sustain paid employment. Sanctions were redundant as a motivator, but the constant threat of sanctions meant that recipients experienced a great deal of stress and anxiety, which could be counterproductive to finding paid work. The application of benefit sanctions triggers profoundly negative, financial, personal, health outcomes that are likely to reduce the possibility of entry into paid work. Adequate income whilst in or out of work was necessary, but often elusive. Poverty and debt were commonplace, worsened by UC waiting days and the requirement to repay Hardship Payments. One in-work UC claimant had to use a food bank. There was considerable movement in and out of work,

¹ Dwyer P and Wright S (2014) 'Universal Credit, ubiquitous conditionality and its implications for social citizenship', *Journal of Poverty and Social Justice*, 22 (1) 27-35.

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). However, the employment outcomes for those we spoke to were neutral. Paid employment was more of a moving target than a destination.



“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)

“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).

2.2 In-work progression is absent Universal Credit was intended to enable progression in paid employment. However, the design of UC assumes a full-time working model that is inappropriate for many mothers and carers, who need to balance paid work with unpaid care activities. Discretionary ‘easements’ to limit hours of employment and job seeking activities were often not in place for those who needed them amongst our sample. In-work progression was mainly experienced as ongoing pressure to apply for and accept extra hours or additional jobs, even when suitable jobs did not exist in local labour markets or when the arrangements were very difficult to manage and the financial rewards were minimal.

“[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)



"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)

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 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)

2.3 In-work conditionality was illogical and damaging. 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. 13 more moved into work over the course of the study. In-work UC recipients were routinely threatened with sanctions and said they felt 'criminalised' as a result. Although only a minority experienced an in-work sanction, the threat of sanction felt very real to most, despite their compliance.

2.4 Support sparse and work coach relationships coercive. 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).

3. Recommendations

3.1 There is an urgent need to reform the benefit sanctions system to ensure that UC recipients are treated with empathy, dignity and respect.

3.1.1 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;

3.1.2 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);

3.1.3 The process of applying sanctions requires improvements to guarantee: a) compassionate consideration of ‘good cause’ for noncompliance; b) clear advance warning of the intention to apply a benefit sanction and c) an effective warning system that precedes any detrimental action. y Conditionality-free UC trials should be tested.

3.2 There is an urgent need to reconsider the application of counterproductive in-work conditionality

3.3 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.

3.4 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.

3.5 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.

3.6 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).

3.6.1 Referral to courses and back-to-work support needs to offer clear advantages to the recipient, and avoid repeat referrals to similar basic courses.

3.6.2 Conditionality-free back-to-work support should be tested.

3.6.3 There is an urgent need for a system of support that enables effective job outcomes, rather than facilitating sanctions.

4. **The Research.** Further research findings are available at www.welfareconditionality.ac.uk/publications/final-findings-welcond-project/

5. **Further information.** Please contact Janis.Bright@york.ac.uk in the first instance.