

# Is in-work conditionality working?

The impact of changing  
conditionality  
requirements on in-work  
Universal Credit  
claimants.



# Introduction

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Everybody who claims working age benefits must agree to a set of activities and expectations they must meet in order to receive their payments; this is called conditionality. There are 4 different conditionality groups Universal Credit claimants can be placed into which reflect their circumstances and their ability to take up or look for work.

- All work-related requirements
- Work-focused interview and work preparation requirements only
- Work-focused interview requirements only
- No work-related activity requirements<sup>1</sup>

For those in the 'all work-related requirements group', the Administrative Earnings Threshold (AET) acts as a dividing line; those above the threshold fall within the light touch regime and below into the intensive work search regime. The latter are expected to meet with their work coach on a weekly or fortnightly basis and to actively look to increase their earnings.

The AET has undergone a series of recent changes.<sup>2</sup> In September 2022, it rose from £355 per month for an individual and £567 for a couple to £494 and £782 respectively.<sup>3</sup> Then in January 2023, it was raised further, to £617 per month for an individual, or £988 for a couple, the equivalent of 15 hours a week at National Living Wage for individual claimants, and 24 hours a week for couples.<sup>4</sup> These changes combined have affected roughly 235,000 people, bringing them into the intensive work search regime.

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<sup>1</sup> Department for work and Pensions. Universal Credit and you. 1.8 Conditionality. See: [www.gov.uk/government/publications/universal-credit-and-you/draft-uc-and-you](https://www.gov.uk/government/publications/universal-credit-and-you/draft-uc-and-you) [Accessed 13/03/23]

<sup>2</sup> Previously it was linked to the standard allowance within Universal Credit rather than the national living wage. See: The Universal Credit Regulations 2013. See: <https://www.legislation.gov.uk/ukxi/2013/376/regulation/99/2015-11-03>

<sup>3</sup> Department for work and Pensions. See: [www.gov.uk/government/news/administrative-earnings-threshold-to-rise-for-universal-credit-job-seekers](https://www.gov.uk/government/news/administrative-earnings-threshold-to-rise-for-universal-credit-job-seekers)

<sup>4</sup> Department for work and Pensions. See: [www.gov.uk/government/news/hundreds-of-thousands-more-workers-to-receive-job-support-boost-in-spring](https://www.gov.uk/government/news/hundreds-of-thousands-more-workers-to-receive-job-support-boost-in-spring)

Changes trailed ahead of the 2023 budget include increasing the threshold to the equivalent of 18 hours a week and applying it to each individual, rather than having a couples rate. These are expected to affect a further 100,000 people.<sup>5</sup>

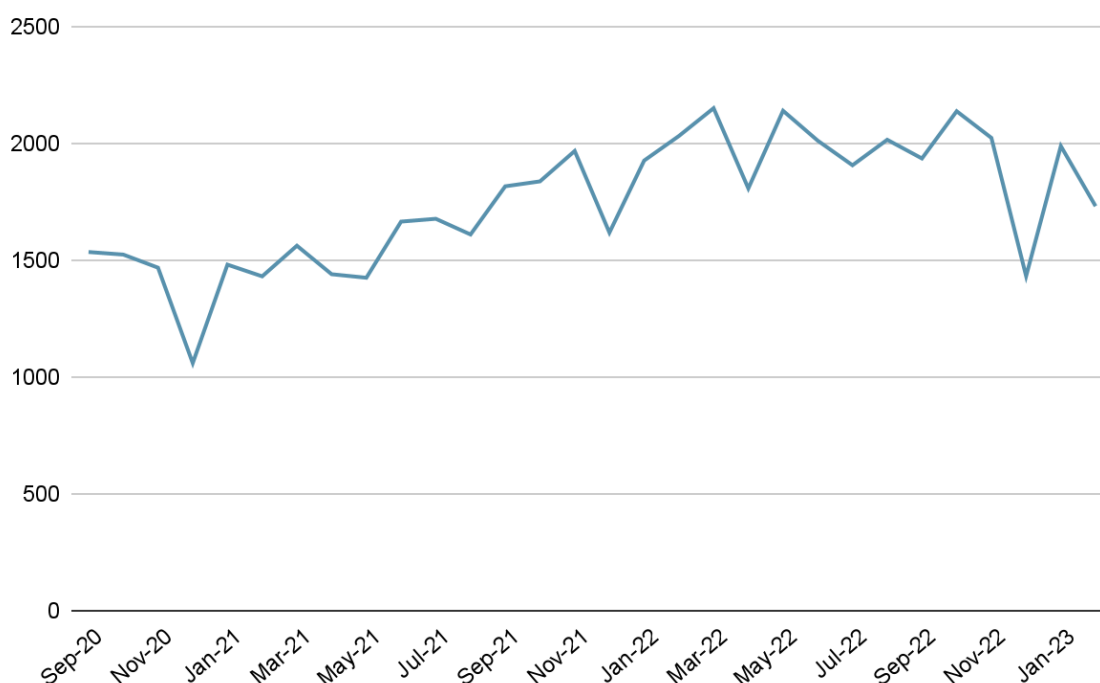
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<sup>5</sup> HM Treasury press release. 11 March 2023. See: <https://hmtreasury-newsroom.prgloo.com/news/chancellors-back-to-work-budget-to-boost-the-economy>

# What we're seeing in our data

From 2021 to 2022 we saw a near 20% increase in the number of people on Universal Credit coming to us for help with issues related to conditionality, claimant commitments and sanctions. Within this, the three main areas we supported people with were sanctions, conditionality easements (a relaxation in conditionality requirements)<sup>6</sup> for disabled claimants or those with a health condition and in-work conditionality.

*Number of people Citizens Advice helped each month with a conditionality issue (including sanctions), September 2020 - January 2023*



Source: Citizens Advice casebook data

We can see a similar increase in demand on our webpages where views of those relating to conditionality, claimant commitments and sanctions totalled 120,000 in 2022, an increase of 43% compared to the previous year.

<sup>6</sup>Department for Work and Pensions. Universal Credit and you. See: [www.gov.uk/government/publications/universal-credit-and-you/draft-uc-and-you](https://www.gov.uk/government/publications/universal-credit-and-you/draft-uc-and-you) [Accessed 13/03/23]

# Changes to in-work conditionality

Recent changes to the Administrative Earnings Threshold (AET) have meant that more claimants are now subject to increased conditionality and are expected to increase their hours or earnings.

Awareness and understanding of the AET and the recent changes to it among claimants is low. Nearly two thirds (61%) of our advisers say that the people we support generally have a poor understanding of the AET and what it means for them, while just 2% say people have a good understanding.<sup>7</sup>

Eve\* is a lone parent with a child at primary school and is working part-time. As she was working she didn't realise she needed to check her online journal. As a result she missed a communication from her work coach, was sanctioned for failing to engage and left with £1 in her bank account. This meant she couldn't afford to buy food or top up her gas and electricity. She is also accruing rent arrears, and the situation is exacerbating her existing mental health condition.

\*All case study names have been changed to ensure anonymity

In October 2022 (the month following the AET rise), we saw more than 2,000 people with issues related to conditionality and commitments, a 10% increase on the previous month and 16% rise on the same period in 2021. Around half of local staff (49%) told us that they had seen an increase in the number of people in work they were helping due to issues with the conditionality requirements being placed on them since the September AET rise.<sup>8</sup>

Advisers highlighted issues people have faced as a result of the changes, with one working claimant feeling pressured to find full-time work, despite working part-time and caring for three children. Another person we helped who is a full-time carer for her husband, was told to increase her existing part-time job or find a second job.

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<sup>7</sup> January 2023 survey of 169 Local Citizens Advice staff.

<sup>8</sup> January 2023 survey of 169 Local Citizens Advice staff.

Jordan\* works part-time as a personal trainer and claims Universal Credit. He has a permanent back injury. His doctor recommends he works no more than 10 hours to avoid pressure on his spine.

Following the Administrative Earnings Threshold changes he has been contacted by his work coach multiple times asking him to attend jobcentre meetings. Jordan's average monthly earnings are £450-£500. He now has to earn £617 to remain in the light touch regime.

Jordan does not feel he can take on more work. His back must be in a certain position and sitting at a desk all day would worsen his injury, so feels work outside his usual sector also won't be possible.

Jordan will now go through the Work Capability Assessment process to evidence that he has limited capability for working full-time. Whilst he waits to be assessed and receive a decision, a process that can take several months, he will still be expected to search for and be available for additional work. If he doesn't comply with this conditionality, he could be at risk of being sanctioned.

# Inappropriate conditionality

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Work coaches play a big role in supporting in-work Universal Credit claimants, and our advisers highlight the positive impact of supportive work coaches. But there is a lot of variation and a lack of consistency in approaches taken to conditionality.

A quarter (24%) of our advisers said they help an in-work Universal Credit claimant experiencing an inappropriate claimant commitment, work coach request or other conditionality problem at least once a week and 43% help someone in these circumstances at least once a month.<sup>9</sup> This is largely due to work coach discretion being applied inappropriately, for example, necessary easements (relaxations) being refused. There are several common scenarios where advisers reported conditionality being applied inappropriately, in particular those involving people who are disabled or with long term health conditions and those with caring responsibilities.

## Disabled claimants and claimants managing long term health conditions

Our data shows that 53% of people we advised on Universal Credit conditionality issues in 2022 were disabled or had a long term health condition.

Advisers highlight cases where work coaches are not acknowledging people's health conditions or disabilities which limit their availability to search for or undertake work. Some claimants are asked to apply for and do jobs that are physically demanding and unsuitable. In the most worrying examples these jobs exacerbate existing health conditions and make people more unwell, pushing them away from the labour market.

Advisers also made us aware of instances where work coaches did not encourage claimants to obtain fit notes if they were struggling with work, and did not proactively tell people about undergoing a Work Capability Assessment (WCA) which could impact what they are expected to do and the amount of benefit they receive. People claiming benefits for the first time and unfamiliar with the system are at a particular disadvantage because they aren't aware of the support that might be available.

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<sup>9</sup>January 2023 survey of 169 Local Citizens Advice staff.

Claimants waiting to have their WCA are technically still subject to full conditionality rules and can be asked to look for and take up work before they receive their WCA decision.

Rob\* is a widower and has been working full-time. He claims statutory sick pay topped up by Universal Credit. He is waiting for keyhole surgery and expected to recover and return to work in a few weeks. He is submitting fit notes and is waiting for a Work Capability Assessment. His work coach is repeatedly asking him to come into the jobcentre for appointments, One week Rob was asked to attend 3 times. Rob suspects that his work coach is not reading the notes on his Universal Credit journal, and feels harassed by the work coach's requests for him to attend the jobcentre so often when he is in great pain and unable to work.

In focus groups, advisers raised that people with mental health in particular are not always given appropriate activities and levels of conditionality. In contrast, an adviser discussed how they found it easy to help working claimants with cancer to successfully get their conditionality commitments updated to reflect their circumstances and capability.

## **Claimants who are parents or with other caring responsibilities**

The majority (84%) of people we helped with conditionality and commitments issues last year had a child dependant under 14. Advisers described issues around conditionality requirements for parents and those with caring responsibilities. This includes a failure to recognise the challenges of balancing caring responsibilities or parenting with work search requirements.

Advisers said that people with children are often encouraged to take employment during hours where they need to care for children, such as evenings and weekends. Childcare costs, and the support available within Universal Credit, often make it difficult for people to meet activity requirements or take on extra work.<sup>10</sup>

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<sup>10</sup> Citizens Advice (2023) Locked out of work: How support with childcare for low income families is reinforcing instead of removing barriers to work. See:



The specific challenges of being a lone parent and being given unrealistic conditionality requirements was a common theme raised by advisers. In one example, a lone parent with young disabled children who was working part-time had been asked to increase her hours. This was negatively impacting her mental health as she struggled to balance family management, work and caring responsibilities.

Cynthia\* is a lone parent to two children aged 9 and 15. Cynthia has health problems, and both of her children are disabled and often require care and supervision. Cynthia works 13 hours a week and claims Universal Credit. She feels she has only managed to keep her job because her employer is sympathetic to her situation, and is understanding when Cynthia is late to work because her disabled sons have frequent meltdowns.

Cynthia worked additional hours in the run up to Christmas, and now her work coach has told her this shows she can work full-time on a permanent basis. Cynthia doesn't feel she can consistently work more. Her work coach has been encouraging her to apply for full-time positions which aren't suitable, and has said 'she seems fine' when Cynthia has mentioned her health conditions. Cynthia is at risk of being sanctioned if her work coach doesn't accept she has circumstances which qualify her for easements on her conditionality.

## Other themes

There are several other common circumstances where people coming to us for support report experiencing inappropriate in-work conditionality. These include:

- Conflict with existing work, for example being asked to attend meetings with a work coach during work hours, therefore putting the current job at risk, or meaning the claimant misses the meeting and is at risk of being sanctioned.
- Language barriers limiting the work that can be applied for and therefore making work search commitments hard to meet.

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[www.citizensadvice.org.uk/about-us/our-work/policy/policy-research-topics/welfare-policy-research-surveys-and-consultation-responses/welfare-policy-research/locked-out-of-work/](http://www.citizensadvice.org.uk/about-us/our-work/policy/policy-research-topics/welfare-policy-research-surveys-and-consultation-responses/welfare-policy-research/locked-out-of-work/)

- Communication issues with work coaches make it hard for people to resolve issues. Journal messages aren't responded to in a timely manner and this causes claimants anxiety.
- Travel costs, for example difficulty affording travel costs into the jobcentre or workplace. This can be especially difficult for those living in rural areas where public transport is not easily accessible.

# Sanctions

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Many advisers spoke about how inappropriate or inflexible conditionality requirements have led to sanctions. For example, one newly employed claimant worked his first night shift, then accidentally overslept and missed his jobcentre appointment, and was sanctioned as a result. In another case, a claimant was being poorly paid and treated unfairly compared to their colleagues yet they were at risk of a high level sanction if they resigned and were found to have voluntarily given up work. In cases like these the use of sanctions can be counterproductive in terms of supporting people into more or better paid work.

Our advisers also spoke about the financial impact sanctions can have on in-work claimants, including food and fuel poverty, and requiring crisis support in the form of foodbank and fuel vouchers. Advisers described people who had difficulty paying their rent and other bills like council tax and were at risk of losing their homes or accruing additional fines and court action as a result.

Faith\* is a lone parent who claims Universal Credit and works part time. She had a face to face jobcentre appointment scheduled, but couldn't afford the £8.40 bus fair to get there. She contacted her work coach twice before 9am on the day of the appointment. Her work coach replied saying she had to come in and refused to move to a telephone appointment. As a result Faith is even worse off financially, and needed a foodbank and fuel voucher.

Tyrone\* works part time and claims Universal Credit. He was sanctioned by the jobcentre for not finding additional work. Tyrone has been submitting medical evidence and fitnotes to Universal Credit to explain why he can't take on more hours, as he has a long term health condition. Since the sanction he is struggling to pay his full rent and has been threatened with eviction from his landlord. He cannot afford his other essential living costs.

# Looking ahead

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With the government focused on increasing workforce participation, including the conclusion of the Secretary of State for Work and Pensions review, widely trailed announcements expected at the spring budget and plans this autumn for an additional focus on in-work progression for those earning above the Administrative Earnings Threshold, in-work conditionality can expect to be a growing area of focus over the coming year.<sup>11</sup>

Our evidence shows that, poorly applied, conditionality can push people away from work rather than support them to progress. In the short term, two simple changes would make a big difference to the people accessing Universal Credit:

- Improved work coach training to ensure better understanding of each individual's support and communication needs.
- Replacing the first sanction with a yellow-card; a formal warning but no removal of benefit. This would be more aligned with the proposed close working relationship, based on trust, between work coach and claimant.

In the longer term, thought needs to be given to the overall effectiveness of conditionality and sanctions. The DWP's own evidence has shown that increasing in-work conditionality has minimal impact on earnings - a year's pilot saw just a £5 weekly increase in average earnings for those receiving the most intensive work progression support.<sup>12</sup> At the same time, the same pilot reported job-related training as being a significant factor in in-work progression. This shows that there is an alternative to conditionality, and it may even be more effective in helping people progress in work.

Is in-work conditionality working? As stands it doesn't appear to be. What is needed is a focus on individuals' needs and work goals and a relationship built on trust rather than fear. It is hard to see how increasing conditionality and the sanctions that go with it will deliver that.

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<sup>11</sup> HM Treasury (2022) Autumn Statement 2022. See: [www.gov.uk/government/publications/autumn-statement-2022-documents/autumn-statement-2022-html](https://www.gov.uk/government/publications/autumn-statement-2022-documents/autumn-statement-2022-html)

<sup>12</sup> Department for Work and Pensions (2018) Universal Credit: in-work progression randomised controlled trial. See: [www.gov.uk/government/publications/universal-credit-in-work-progression-randomised-controlled-trial](https://www.gov.uk/government/publications/universal-credit-in-work-progression-randomised-controlled-trial)

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