



Citizens Advice response to Work and Pensions Select Committee inquiry into benefit sanctions

1. About Citizens Advice

- 1.1 Citizens Advice provides free, confidential and independent advice to help people overcome their problems.
- 1.2 Citizens Advice supported more than **7,800 clients** with over **11,000 issues** directly related to benefit sanctions in the last year - and many others indirectly related.

2. Executive Summary

- 2.1 There have been a number of recent developments in sanctions policy following the Public Accounts Committee report on benefits sanctions which we welcome.
- 2.2 There is however growing evidence from both our own research and that of others, that questions the efficiency and effectiveness of the current sanctions system. Despite recent and ongoing trials in specific areas it is still unclear whether sanctions would be more or less effective if they were less severe.
- 2.3 The current sanctions regime can impose serious hardship which may shift people's focus away from their job search or reduce work incentives. Repeated or severe sanctions may lead jobseekers to disengage with the employment support system entirely.
- 2.4 As Universal Credit (UC) rolls out and new groups of claimants are brought into the conditionality system there is a need to rigorously test and evaluate how the current system is working.
- 2.5 The current model of sanctions risks undermining the positive intention to help people into secure and suitable work.
- 2.6 Many of the issues highlighted in our response to this inquiry reflect issues we have raised previously in our response to the Public Accounts Committee (PAC) Benefit Sanctions Inquiry (December 2016)¹.

¹ [Citizens Advice response to Public Accounts Committee inquiry into benefit sanctions](#), December 2016

3. Recommendations

- 3.1 To ensure that the conditionality system leads to the best outcomes in terms of labour market re-entry and engagement with support, the Department for Work and Pensions (DWP) should build on the In Work Progression trial and pilot a series of further randomised control trials (RCTs) to test lower severity levels and a system without financial sanctions against current arrangements including varying sanction amounts and time periods across different groups of claimants.
- 3.2 We do not believe that sanctions are appropriate for disabled people and those with health conditions. Before further consideration of conditionality for this group, the DWP must test the effectiveness of the wider health and work policy programme in getting people closer to the labour market where appropriate. In order to test the effectiveness of support before sanctions DWP should pause conditionality for the ESA work related activity group (WRAG).
- 3.3 DWP should grant an automatic hardship payment to everyone who receives a sanction, so that they can afford essential bills and are not left facing unnecessary hardship. As well as mitigating some of the financial shock, it may help prevent disengagement with employment support services in the longer term.
- 3.4 The need for claimants to repay Advance Payments under UC - unlike arrangements for JSA and ESA - should be reconsidered. Repayments create additional financial pressure for jobseekers, which may distract them from looking for work or prevent them from regaining financial stability after a sanction.
- 3.5 Conditionality and sanctions policy cannot be assessed in isolation and should be combined with reviews on what works in employment support. The DWP should review how the process for drawing up more personalised claimant commitments is working under UC - in light of the effectiveness of an individualised approach to conditionality - and the resources currently available to deliver such a system. Expanding the scope of Universal Support, including help to make and complete a UC claim, would enable work coaches to focus more on the provision of employment support.
- 3.6 DWP should also routinely assess the levels of sanction recommendations by individual Jobcentres and Work and Health Programme providers to ensure greater consistency in the application of conditionality and sanctions.
- 3.7 A formal yellow card system should be introduced which provides claimants with a genuine warning in the first instance, rather than an immediate sanction. We look forward to seeing the outcome of the recently announced feasibility study which will test this concept over the coming months.

4. Background

- 4.1 Since October 2012, the conditions associated with receiving out-of-work benefits - known as conditionality - have become increasingly stringent. The changes led to a dramatic increase in sanction rates; at the peak in 2014, one in five people receiving JSA was being sanctioned every year. Since then, however, we have seen a reduction in the proportionate number of sanctions - and Citizens Advice data on the numbers of people we are supporting with JSA and ESA sanctions reflects this trend (see Figure 1 in section 5). While this reduction is welcome, vigilance is still needed to ensure that this number does not rise again.
- 4.2 This is particularly the case as UC is rolled out further and conditionality expands to encompass new groups. Government plans set out in the 'Work, health and disability green paper: improving lives' (October 2016) explored the potential for extending some conditionality requirements for disabled people. Those in low income work are also subject to in-work conditionality for the first time under UC.
- 4.3 At Citizens Advice, we helped more than **7,800 clients** with **over 11,000 issues** directly related to benefit sanctions and conditionality in the last year. We also support them with wider challenges they are facing - for example, around **three in ten people** coming to us about a JSA/ESA sanction **also needed advice on debt** - this rose to **a third of clients seeking help with a UC sanction**. In this submission, we've used this data and case studies about people who've been to see us, alongside previous surveys of our advisers, staff, and clients who have experienced the impact of sanctions.

5. Is the current sanctions regime effective?

This section addresses the following questions:

- To what extent is the current sanctions regime achieving its policy objectives?
- Is the current evidence base adequate and if not, what further information, data and research are required?

5.1 There is **growing evidence from our own research, and that of others, that questions the efficiency and effectiveness of the current sanctions system.**

Previous research we conducted² found that opinion was split amongst Citizens Advice staff and volunteers on the extent to which they felt conditionality motivated people to look for work - while just over two in five thought a sanction made jobseekers a little more motivated, over half thought sanctions either made no difference to motivation or made people less motivated. Fewer than one in ten believed it was common for clients to start working when they had been sanctioned. Research undertaken around the same time with Citizens Advice clients who had received a JSA or ESA sanction also found 71% either felt the sanction made no difference to their motivation to find work, or actually made them less motivated³.

5.2 A recently published longitudinal study into welfare conditionality⁴ supports these findings, with the authors concluding that *“welfare conditionality within the social security system is largely ineffective in facilitating people’s entry into or progression within the paid labour market over time”*. Several other studies also suggest that, for those who move into work while subject to conditionality, there is some evidence that they enter lower quality jobs than they would otherwise and people become prepared to take unsuitable work⁵. It also results in lower productivity and other unintended consequences⁶.

² [Citizens Advice response to Public Accounts Committee inquiry into benefit sanctions](#), December 2016

Based on a survey of 275 Citizens Advice staff and volunteers in March 2015.

³ [Citizens Advice response to Public Accounts Committee inquiry into benefit sanctions](#), December 2016
Citizens Advice clients who have sought face-to-face or web advice about a JSA or ESA sanction. Fieldwork March-September 2015, n=255

⁴ University of York et al, [Welfare Conditionality: Sanctions, Support and Behaviour Change](#) May 2018

⁵ van den Berg, G., and J. Vikstrom. “Monitoring job offer decisions, punishments, exit to work, and job quality.” *Scandinavian Journal of Economics* (Forthcoming); Arni, P. et al (2009) “How Effective are Unemployment Benefit Sanctions?” Centre for Economic Policy Research.

⁶ Written evidence submitted by Dr David Webster, Honorary Senior Research Fellow, Urban Studies, University of Glasgow to the Work and Pensions Committee, 2014:
<http://www.publications.parliament.uk/pa/cm201314/cmselect/cmworpen/479/479vw36.htm>

- 5.3 Beyond the impact on work incentives the Welfare Conditionality study⁷ highlights how “benefit sanctions routinely trigger profoundly negative personal, financial, health and behavioural outcomes”. Of particular concern is the finding that for a substantial minority welfare conditionality can lead to disengagement from the benefits system altogether, leaving some people without the support they need and subsequently vulnerable to a whole range of negative impacts. The risks associated with disengagement from the benefits system is covered in Section 6 of this response.
- 5.4 Our own research⁸ also found a range of negative impacts following sanctions, including poorer mental and physical health and deteriorating relationships. As opposed to starting work to increase their income, our staff and volunteers reported sanctioned clients more commonly borrowed money, cut back spending on food and other essentials, or fell into arrears with bills.
- 5.5 Such issues were also raised in our survey of people who had experienced sanctions directly. When we asked how being sanctioned had affected them, the most commonly-cited response (55%) was cutting back spending on food. Just 1% reported that their immediate response was to begin formal work.

“I left a job that I loved to become a full-time carer to my 5 year old grandson after his mother died a year ago. Yes, it was my fault I forgot to turn up for the interview - I totally got my days muddled, it was a genuine mistake. Being sanctioned and left without money for four weeks I felt was extremely harsh. Consequently I got into debt, felt very stressed, I found it a struggle to put food on the table. I felt worthless and inadequate.”

Maureen, entitled to JSA, sanctioned for four weeks.

- 5.6 This reaction is supported by other research which identifies **the risk that short-term destitution leads people to shift their focus from job search to more basic matters of day-to-day survival**⁹.
- 5.7 One of the wider themes in clients’ responses was also **the numbers reporting the need to borrow money or get into debt**. 47% reported borrowing informally from family and friends. However, significant proportions reported debt and arrears in rent and other essential bills¹⁰.

⁷ University of York et al, [Welfare Conditionality: Sanctions, Support and Behaviour Change](#) May 2018

⁸ [Citizens Advice response to Public Accounts Committee inquiry into benefit sanctions](#), December 2016

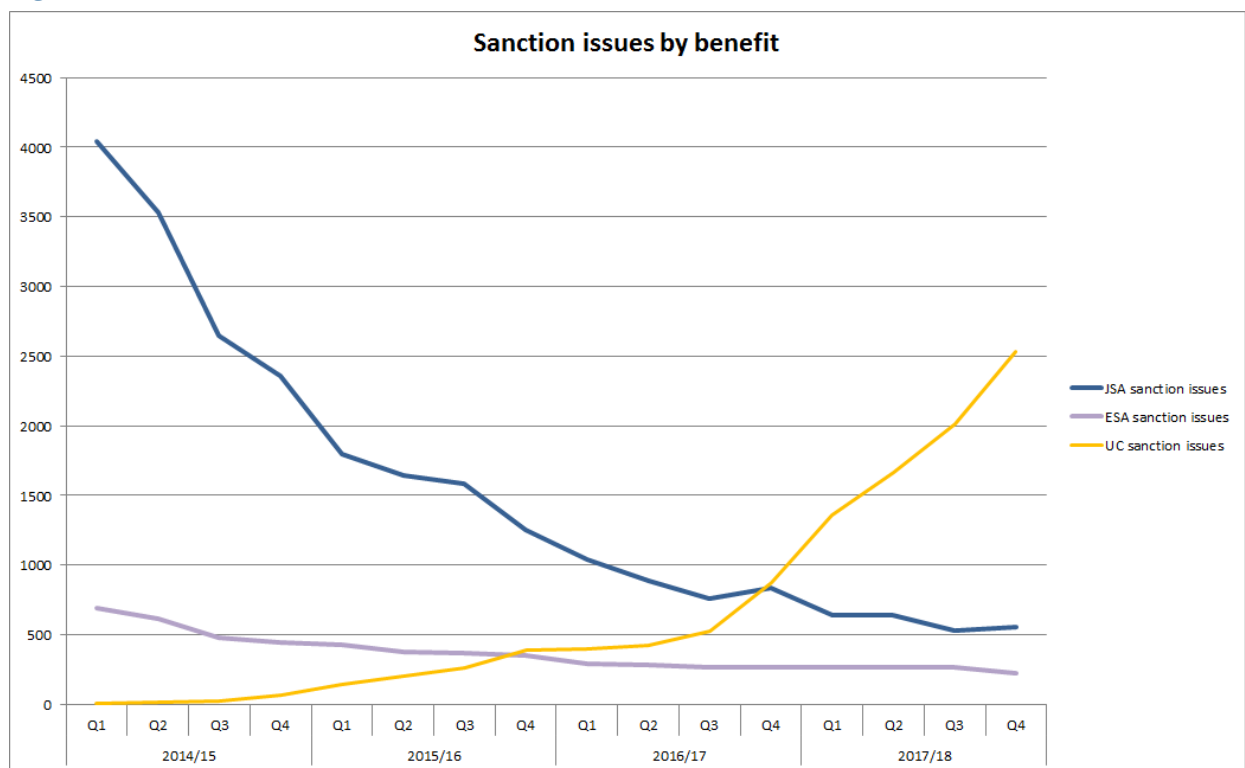
⁹ Eardley et al (2005) “The Impact of Breaching on Income Support Customers”, SPRC Report 5/05

¹⁰ [Citizens Advice response to Public Accounts Committee inquiry into benefit sanctions](#), December 2016

5.8 A high incidence of debt and arrears highlights another serious risk to the cost effectiveness of sanctions policy. Citizens Advice analysis on the impact of problem debt finds a range of negative consequences for financial stability, relationships and mental and physical health - all with cost implications for local and national services. Yet significantly, **debt and arrears also pose a direct disincentive to move into work**¹¹. This calls into question the effectiveness of sanctions as a work incentive - once in debt, a jobseeker may see any additional earnings from employment eaten up by interest repayments.

5.9 As new systems begin to be rolled out under UC reviewing the effectiveness of current sanctions policy is particularly important. The latest statistics from DWP show 4.1% of people had a drop in benefit due to a UC sanction in February 2018¹².

Figure 1:



¹¹ Citizens Advice, "A Debt Effect?", 2016:

¹² Department for Work and Pensions Benefit Sanctions Statistics: Data to January 2018

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/706823/benefit-sanctions-statistics-to-january-2018.pdf

- 5.10 As Figure 1 above shows our most recent data also indicates a steady increase in the number of people coming to us for help with problems associated with UC sanctions.
- 5.11 In 2017-18 local Citizens Advice across England and Wales helped **4,757 clients** with **7,641 issues relating to UC sanctions**. While there are challenges with comparing UC to legacy benefits due to changes in the way sanctions are recorded, our data indicates the level of sanctions under UC is increasing compared to legacy benefits.
- 5.12 We believe there a couple of particular challenges in relation to sanctions under UC: Firstly, **UC will become the first benefit to be delivered entirely online**. Individuals will be expected to manage their claim, record their job-seeking activity and complete basic tasks by logging into their account on a computer. A survey of our UC clients in full service areas found nearly half (45%) had difficulty accessing or using the internet - or both¹³. We are concerned that, **without significant additional support and greater awareness on the part of Work Coaches, many of these clients will be vulnerable to sanctions**.



46%

had a home computer or tablet with internet access



33%

had a mobile phone with internet access



33%

could access a computer for free in a Jobcentre or library

Case study: Jamie

Jamie was unable to access his UC journal as he doesn't have a computer and does not understand how the system works. He did not get notice of any appointments at his local Jobcentre and was sanctioned his whole award for January leaving him with nothing to live on. The Jobcentre have found him a course so he can learn IT skills, so his problem was acknowledged but this was not taken into account. Jamie's mother, who he cared for over a long period, has recently moved into a care home. He has many issues to deal with and this caused him a lot of stress and anxiety.

¹³ Citizens Advice, [Delivering on Universal Credit](#), July 2017

- 5.13 Secondly, under UC, **conditionality is being rolled out to large numbers of working people for the first time.** Those in work but whose weekly gross earnings fall short of a threshold (equivalent to around 35 hours work per week at national minimum wage - though this can be reduced for those with caring responsibilities or a physical or mental health impairment) will be expected to work more hours, find a second job to supplement their income, or get a new job with higher pay. If they do not engage in action to do so they are potentially subject to sanctions. The DWP are currently trialling how this will work in practice.
- 5.14 **In the real world, a huge number of factors come into play when people make decisions about work** - not only financial gains, but caring responsibilities, the ability to manage a disability or health condition around work, location, and factors related to the job itself. Recent Citizens Advice research in this area found, 1 in 4 current working tax credit/UC claimants (26%) are not confident they can easily increase their incomes from work due to employment constraints and personal circumstances¹⁴. For many people, increasing what they earn at work (including opportunities for progression or increasing hours) was seen as difficult with their current employer. We will be exploring further the realities of people's decision-making processes about work later this year.
- 5.15 If sanctions stay high or increase under UC for the reasons outlined above, they pose serious risks to the effectiveness of the new benefit, which aims to increase incentives to enter and progress in work. There is growing evidence¹⁵¹⁶ that increasing sanction rates for those out-of-work has **no clear positive impact on finding suitable, sustainable employment.** Financial sanctions applied to those already in work could directly reduce their incentives - and even ability - to remain in work.
- 5.16 **The structure of UC also means sanctions could increase rates of debt and destitution.** People receive income replacement and housing benefits within a single payment. This means that people facing sanction may be tempted to use housing payments to cover food and other essential costs, increasing the risks of serious rent arrears or homelessness.

¹⁴ Citizens Advice, '[UC and modern employment: work incentives](#)'. YouGov surveyed 877 working Tax Credit and Universal Credit claimants between January 25th and February 7th 2018

¹⁵ [Citizens Advice response to Public Accounts Committee inquiry into benefit sanctions](#), December 2016

¹⁶ University of York et al, [Welfare Conditionality: Sanctions, Support and Behaviour Change](#) May 2018

5.17 **There are therefore clear risks of a poorly-administered or overly severe sanctions regime and more needs to be done to tackle such risks:**

- Sanctions are only one part of a wider system - they are unlikely to be effective unless combined with appropriate employment support.
- If financial sanctions are too severe, they may shift people's focus away from job search as they struggle to meet basic costs and bills.
- Severe or repeated sanctions may cause people to disengage from the benefit and employment support system entirely, meaning they no longer receive any assistance and may be at greater risk of homelessness and debt.

5.18 Overall, high rates of sanctions tend to suggest wider failures of the system - either through overly rigid and punitive conditions or an inability to engage with and support those it is intended to reach.

5.19 Government policy has acknowledged some of these risks; its 2010 White Paper sets out a series of mitigation measures including the need for advisers to take individual circumstances into account and the availability of hardship payments¹⁷. Yet, as we set out later in this response, there is substantial evidence that these mitigation measures are not always being used effectively, or are insufficient to minimise risks. **We also still don't know enough about whether sanctions would be more or less effective if they were less severe**¹⁸.

5.20 Our previous review of International research and analysis¹⁹ suggests:

- Some form of conditionality system does improve short-term job-finding rates, but there is little evidence that a more punitive regime increases rates correspondingly
- Warnings alone and actual enforcement of sanctions were equally effective in reducing the time it takes to find a job
- Our system of conditionality is punitive by international standards.

5.21 The DWP is currently undertaking a large scale trial on In Work

¹⁷ Department for Work and Pensions, Universal Credit: Welfare that Works, 2010: https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/48897/universal-credit-full-document.pdf

¹⁸ National Audit Office, Benefit Sanctions report, 2016: <https://www.nao.org.uk/wp-content/uploads/2016/11/Benefit-sanctions.pdf>

¹⁹ Citizens Advice response to Public Accounts Committee inquiry into benefit sanctions, December 2016

Progression (IWP). This Randomised Control Trial (RCT) aims to test 3 different ways to support people in low paid work to progress in employment, including the role of in-work conditionality and sanctions.

- 5.22 We welcome this work looking at conditionality for those who are working. With an increase in the roll out of UC now taking place, risks remain from extending conditionality to this group before the trial and evaluation has concluded.
- 5.23 Further work is also needed to more rigorously trial and evaluate the use of sanctions for those out of work, and for other areas where conditionality is being expanded - for example for disabled people.
- 5.24 **Recommendation:** Effectiveness should be the key consideration when deciding on appropriate levels and arrangements for benefit sanctions. To ensure that the conditionality system leads to the best outcomes in terms of labour market re-entry and engagement with support, DWP should build on the In Work Progression trial and pilot a series of further Randomised Control Trials (RCTs) to test lower severity levels and a system without financial sanctions against current arrangements for those in and out of work and for different groups of claimants. These should involve varying sanction amounts and time periods.

6. What are the wider implications of sanctioning people?

This section addresses the following questions:

- Are adequate protections in place for vulnerable claimants?
- What effects does sanctions policy have on other aspects of the benefits system and public services more widely? Are consequential policy changes required?

6.1 **Sanctions tend to fall disproportionately on the most vulnerable people with the greatest barriers to moving into work.** A number of studies (cited in our PAC response) have shown how homeless people, those with mental health conditions and people with substance misuse issues, learning difficulties, literacy problems and difficulties with English not being their first language are all more likely to face sanctions than other claimants²⁰.

6.2 Higher rates of sanctions amongst more vulnerable groups can have a wide range of consequences. Our experience suggests these groups are likely to possess fewer resources to help them through a period of financial hardship - many lack the social networks and financial skills to prevent themselves from falling into serious debt or destitution.

"I completed this survey for my brother, who has a learning disability. He lost his benefit for two weeks for not completing enough actions to find a job; his learning disability is obvious. Unfortunately he felt so bad about the sanction, believing he had done something wrong, he did not tell anyone in the family in time to appeal."²¹

Respondent to Citizens Advice client survey on sanctions

6.3 Citizen Advice has previously raised concerns around benefit conditionality for disabled people who are found to have a limited capability for work²². Sanctions carry a high risk for those with health conditions as they can lead to inappropriate work with detrimental health impacts. Given the extra costs those with a disability or health condition face, plus the limitations they may face in increasing their income quickly, it is hard to see how sanctions could have a positive impact on a claimant's work related activity.

²⁰ [Citizens Advice response to Public Accounts Committee inquiry into benefit sanctions](#), December 2016

²¹ *ibid*

²² Citizens Advice, "[Halving the Disability Employment Gap](#)", April 2017

- 6.4 Conditionality for disabled people and those with health conditions risks being counterproductive both for the individual and for the Government's wider aim to get a million more disabled people into work by 2027. These groups are also those who most need employment support; as discussed below, high rates of sanctions increase the risk that they disengage from this wider support structure.
- 6.5 Consultation with our network suggests that our disabled clients - which includes many who receive JSA - are fearful of the DWP, and see engagement with it in negative terms, particularly as their experience is often in relation to conditionality and assessment of disability benefit eligibility. People who are fearful of engaging with the Jobcentre are unlikely to take up support that is accessed there, or engage constructively with a Work Coach. Building an open, effective and supportive relationship between a Work Coach and a claimant can be difficult if the Work Coach has the power to recommend a sanction.
- 6.6 One of the Government's stated concessions to avoid the debilitating effects of destitution, particularly for vulnerable groups, was the use of hardship payments for those in need. However, Citizens Advice evidence suggests that this system is not working effectively; awareness of hardship payments is low and they are frequently not reaching the most vulnerable people. When we surveyed clients who had been sanctioned, two in five did not know about hardship payments and a further 18% had applied for one but it had not been awarded. Only 28% reported receiving a hardship payment²³.
- 6.7 The Government has acknowledged these issues to some extent; since October 2017 jobseekers who are homeless or have a mental health problem are eligible to access hardship payments immediately upon receiving a sanction, alongside those who have children or a long-term health condition²⁴. While this is welcome, this support is not automatic - people continue to rely on Jobcentre staff to make them aware of hardship payments and the application process. We feel this leaves open the risk that some will not receive the help they need.

²³ [Citizens Advice response to Public Accounts Committee inquiry into benefit sanctions](#), December 2016

²⁴ Department for Work and Pensions Press Release, "Immediate access to hardship payments extended to help mental health and homelessness", 18 July 2017
<https://www.gov.uk/government/news/immediate-access-to-hardship-payments-extended-to-help-mental-health-and-homelessness>

- 6.8 In addition, JSA and ESA claimants do not have to repay any hardship payment they may have received as a consequence of being sanctioned. Under UC however hardship payments are repayable and repayments can be set at up to 40% of a claimant's standard allowance. This means that even after a sanction period has come to an end claimants may continue to have deductions from their UC payment, effectively extending the sanction period. Repayments can create additional financial pressure for jobseekers, which may distract them from looking for work or regaining financial stability after a sanction.
- 6.9 Sanctions are designed to be part of a wider system of employment support, with which those claiming out of work benefits are expected to engage²⁵. Yet this also means that the functioning and administration of sanctions will affect the quality of people's interactions with that wider system. To reach the overall goal of encouraging people to move into suitable work as quickly as possible, **it is crucial we take an evidence-based approach to this policy.**
- 6.10 Two risks to this goal arise when conditionality becomes stricter. The first is that **job seekers come to see conditionality as fundamentally unfair** - this colours their view of the wider system and they become less willing to engage with it as something there to support them. Our previous research with Citizens Advice staff and volunteers on the current sanctions system found less than one in four agreed that the clients they worked with "could avoid sanctions if they wanted to". Only one in three felt that "clients understand what they need to do to fulfill their claimant commitment".²⁶
- 6.11 This is supported by evidence from our clients who had experienced sanctions²⁷. One in six could not give a reason for why they were sanctioned and fewer than one in ten agreed with the statement "I could have avoided a sanction if I'd wanted to". Just 5% believed the sanction they had received was fair.
- 6.12 In turn, few felt that the sanction had had a positive impact on their engagement with DWP; around three in five felt the sanction had made no difference to their willingness to follow Jobcentre rules or apply for more jobs. One in five actually felt the sanction had made them less likely to

²⁵ Department for Work and Pensions, Universal Credit: Welfare that Works, 2010: https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/48897/universal-credit-full-document.pdf

²⁶ [Citizens Advice response to Public Accounts Committee inquiry into benefit sanctions](#), December 2016

²⁷ *ibid*

look for work and nearly two in five (37%) reported the sanction had made them less confident about finding a job that they could do.

"I think sanctioning jobseekers is counterproductive to what the government claims to want to achieve from it. In my experience, it does not encourage people to find work quicker. It makes them more nervous and anxious, much less confident about finding work and wastes their time and energy - that should be spent looking for work - on trying to find a way to live."

Darrell, entitled to JSA, sanctioned for 13 weeks

- 6.13 The second risk is that **financial penalties are so severe and long-lasting that jobseekers come to see the system as no longer offering sufficient financial stability to make engagement worthwhile**. Our previous review of international evidence²⁸ identified links between strict conditions and sanctions and an increase in the rates of people leaving job-seeking benefits but not entering work.

The recently published Welfare Conditionality study²⁹ also found claimants facing additional challenges, such as homelessness and alcohol and drug dependency issues reacted to the *"hassle and compulsion of conditionality by withdrawing from the social system altogether; in some cases triggering a move into survival crime"*.

- 6.14 The period following the tightening of the UK's conditionality rules in 2012 saw an increase in the use of sanctions and also a large increase in people leaving JSA. While this might suggest the policy was effective, **monitoring the final destination of these benefit leavers is crucial**.

"I was sanctioned for a missed appointment which was not actually my error. I was told to wait until [the Work Programme provider] had moved their address, and they would send me the new appointment details. But nobody made a note of the cancelled first appointment and I got sanctioned for not attending. At this point I just gave up. The Jobcentre works against people and not for them."

Michelle, entitled to JSA, participating in the Work Programme, sanctioned for four weeks³⁰

²⁸ *ibid*

²⁹ University of York et al, [Welfare Conditionality: Sanctions, Support and Behaviour Change](#) May 2018

³⁰ [Citizens Advice response to Public Accounts Committee inquiry into benefit sanctions](#), December 2016

6.15 Complete disengagement from the benefits and support system can create a number of long-term costs for both the individual and the state. For individuals, particularly those with greater barriers to work, the risk is that they lose out on necessary help to access the labour market and are at much greater risk of long-term unemployment, homelessness and debt. For Government, the costs these elevated risks for individuals pose to local and national services are likely to far outweigh any savings from a lower JSA, ESA or UC caseload.

6.16 **Recommendations:**

- Citizens Advice do not believe that sanctions are appropriate for disabled people and those with health conditions. Before further consideration of conditionality and sanctions, the DWP must first test the effectiveness of the wider health and work policy programme in getting people closer to the labour market where appropriate. In order to test the effectiveness of support before sanctions the DWP needs to pause conditionality for the ESA work related activity group.
- We do not feel it is appropriate but if conditionality were to be introduced for this group it is crucial that: i) it is based on evidence and multiple approaches are tested with people with different conditions; ii) the reduction level and length of sanction should be robustly tested; iii) it contains a grace period of at least 6 months before any conditionality starts, and reporting channels for 'good cause' for failure to attend or undertake work related activity are significantly improved - particularly between the Jobcentre and work programme.
- The Government should grant an automatic hardship payment to everyone who receives a sanction, so that they can afford essential bills and are not left destitute. As well as mitigating some of the financial shock in the short term, it may help prevent disengagement with employment support services in the longer term.
- The need for claimants to repay hardship payments under UC - unlike arrangements for JSA and ESA - should be reconsidered. Repayments create additional financial pressure for jobseekers, which may distract them from looking for work or regaining financial stability after a sanction.

7. How can sanctions policy be improved?

This section addresses the following questions:

- Are levels of discretion afforded to jobcentre staff appropriate?
- What improvements to sanctions policy could be made to achieve its objectives better?
- Could a challenge period and/or a system of warnings for a first sanctionable offence be beneficial? If so, how should they be implemented?

- 7.1 Government's attempts to better link the conditionality and support side of employment services have recently been based on the idea of the Claimant Commitment. This replaced the old Jobseeker's Agreement for those entitled to JSA and is a key element of UC. Jobcentre Work Coaches are supposed to set conditions collaboratively with the claimant, allowing their circumstances to be taken into account and ensuring the requirements are achievable.
- 7.2 However, it is not yet clear how effective the Commitment has been at promoting greater understanding between jobseekers and the Jobcentre, or in ensuring individuals' conditions are appropriate. In March 2016, Citizens Advice surveyed 488 people with a health condition or disability claiming either ESA in the WRAG or JSA. Only 27% reported having signed a Claimant Commitment (others claimed they had not or were unsure). Of this 27%, 44% felt their health condition or disability was not taken into account when conditions were set and less than one in five felt their condition was 'fully taken into account'.
- 7.3 This suggests there is more to be done to ensure the employment support system fosters a genuine dialogue between Work Coaches and jobseekers. The Government's plans to offer more support to all ESA claimants who want to work are welcome, however, it is only with a reasonable caseload that Work Coaches will be able to spend the time needed to support people with complex health related barriers to work.
- 7.4 As more and more people are brought into the Jobcentre remit through in-work conditionality the overall caseload for Work Coaches is set to grow over the coming years. The Government will need to expand Work Coach

numbers to maintain and bring down caseloads. Work Coach capability and expertise will also need to improve to ensure they are able to determine the full range of support needs or challenges faced by those in low income work and some disabled people or those with health conditions.

- 7.5 The overall challenge is to make sanctions clearer and fairer wherever possible. Our previous research³¹ found while most of those we surveyed did not feel they could have avoided the sanction they had received, nearly half (46%) felt they could have avoided it had they been given a warning. We feel **a formal warning system presents an opportunity to make the system fairer, promote better engagement with DWP and improve the relationship between Work Coaches and jobseekers.**
- 7.6 In October 2015 the Government announced plans to trial “*arrangements whereby claimants are given a warning of our intention to sanction, and a 14-day period to provide evidence of good reason before the decision to sanction is made.*”³². The final evaluation report of that trial, which involved 6,500 jobseekers in Scotland, has now been published³³. The findings show that the majority of claimants did not provide further evidence within the additional 14 day period. Of the 1 in 8 claimants (13%) who did provide further evidence, for around half of these cases the evidence was not sufficient to prevent a sanction being applied. The report does however recognise several weaknesses in the data and how the trial was undertaken.
- 7.7 We understand the DWP is now exploring the feasibility of an alternative process which will provide claimants with a written warning, instead of a sanction, for a first sanctionable failure to attend a Work-Search Review. The introduction of a ‘yellow card warning system’ as an alternative to an immediate financial sanction is something Citizens Advice has been calling for and strongly supports.
- 7.8 **Ultimately sanctions cannot be evaluated in isolation. While they may have some impact on jobseekers’ motivation, they are unlikely to realise the Government’s aim of moving people into sustainable employment unless they are combined with effective employment support.** This is particularly the case for those with additional barriers to

³¹ [Citizens Advice response to Public Accounts Committee inquiry into benefit sanctions](#), December 2016

³² Written Ministerial Statement, 22 October 2015

<https://www.parliament.uk/business/publications/written-questions-answers-statements/written-statement/Commons/2015-10-22/HCWS259/>

³³ DWP, [JSA Sanctions Early Warning Trial Evaluation - Final Report](#), May 2018

work, such as basic skills gaps, work-limiting health conditions or limited work experience.

7.9 The evidence we've highlighted throughout this response all suggests that **the current model of sanctions risks undermining the intention to provide positive help to people, supporting them to find, train for and secure suitable work.** There are currently high expectations placed on Work Coaches. To ensure the employment support system is more effective in achieving its primary goal - of helping people into work - more investment in terms of Work Coach numbers, training and wider support is needed.

7.10 **Recommendations:**

- Conditionality and sanctions policy cannot be assessed in isolation and should be combined with reviews on what works in employment support. The DWP should review how the process for drawing up more personalised claimant commitments is working under UC - in light of the effectiveness of an individualised approach to conditionality - and the resources currently available to deliver such a system. Jobcentre Plus is likely to require additional resources - both in terms of Work Coach numbers and expanded training if it is to achieve its wider aims for working-age employment policy under UC. Expanding the scope of Universal Support, including help to make and complete a UC claim, would enable Work Coaches to focus more on the provision of employment support.
- The DWP should also routinely assess the levels of sanction recommendations by individual Jobcentres and Work and Health Programme providers to ensure greater consistency in the application of conditionality and sanctions.
- A formal yellow card system should be introduced which provides claimants with a genuine warning in the first instance, rather than an immediate sanction. We look forward to seeing the outcome of the recently announced feasibility study which will test this concept over the coming months.

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