

Conditionality in Universal Credit

How to mitigate the adverse
effects of conditionality and
sanctions for Universal Credit
claimants



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**citizens
advice**

Oxford

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Executive Summary

Universal Credit (UC) is one of the biggest ever changes to the welfare system in the UK. It was introduced to simplify six existing benefits, with the aim to streamline the application process and system, and incentivise more people to start and progress in work.

However, within the implementation of UC there has been a number of **administrative and IT failures**, as well as **harsh and punitive financial sanctions** that leave people in difficulty, leading to rent arrears and increased demand for food banks.

Conditionality is an aspect of UC with adverse effects on a number of recipients. If you receive UC, you will be placed in a conditionality group based on your circumstances and **work capability**. Your conditionality group determines the commitments that you must fulfil in order to receive UC. Sanctions can be applied if you fail to meet the commitments in your conditionality group.

We find that the sanctions given are **harsh and often unnecessary**. There is **insufficient evidence** to substantiate the Department of Work and Pensions' (DWP) claim that sanctions should incentivise more people to find work (House of Commons Work and Pensions Committee, 2018, p.13). More, reports have shown they cause people **significant financial hardship and distress** (Wright et al., 2018). In Oxford, our clients have been sanctioned, even when they demonstrate a 'good reason' to be exempt, as required by DWP.

Our key recommendations to reform the implementation of conditionality and sanctions in UC include:

1. Sanctions to only be **imposed 30 days after a claimant has been alerted** that they are at risk of being sanctioned, and the evidence on which this is based, so they have the opportunity to respond before the sanction is implemented.
2. To **exclude vulnerable claimants**, including single parents, care leavers and people with an impairment or health condition, and those found to have limited capability for work, **from the sanctions system**.
3. To **increase the number of work coaches**, so they are not severely overworked and can handle complex claimant situations.
4. To reduce **higher-level sanctions** to two, four and six months for first, second and subsequent failures to comply, so as to not create undue financial hardship and distress.
5. DWP to be **more transparent** by improving information on the evidence that is needed to be placed in a certain conditionality group and how to appeal sanctions. They should also **improve procedure** in regards to conditionality by **developing a standard set of questions for work coaches** to routinely ask people when agreeing their claimant commitments.

About Us

Citizens Advice is a network of 280 independent charities throughout the United Kingdom that give free, confidential information and advice to assist people with money, legal, consumer and other problems. We help people to live and work, and campaign on big issues when their voices need to be heard. Citizens Advice Oxford covers the city of Oxford, and anyone who lives or works in Oxford can come to us for advice.

For the 2020 financial year Citizens Advice will be delivering the DWP's Help to Claim service, previously administered by local authorities. We'll support you in the early stages of your UC claim, from the application, through to your first payment. Help to Claim is a dedicated service from Citizens Advice, and it's free, independent, confidential and impartial. Our trained advisers can help with things like how to gather evidence for your application or how to prepare for your first Jobcentre appointment.

About this Report

This report highlights a series of key recommendations that need to be made to the implementation of sanctions and conditionality within UC to ensure it effectively transitions people into work and does not disproportionately affect the most vulnerable. In making our recommendations, we draw on a range of public domain sources, including government and independent reviews on the impacts of conditionality and sanctions within UC. We substantiate these by looking at our own data and the experiences of local people we have helped.

Introduction to Universal Credit

UC is one of the biggest ever changes to the welfare system since its inception. It combines six existing benefits into **one monthly benefits payment** to a single household. The benefits it replaces are:

- Income Based Job Seeker's allowance (JSA)
- Income Based Employment and Support Allowance (ESA)
- Income Support
- Working Tax Credit
- Child Tax Credit
- Housing Benefit.

The reforms to the benefits scheme aim to:

- Make claiming benefits simpler
- Make the application process and system more efficient
- Increase the incentives for people to work and progress in work, rather than remain on benefits.

The scheme works through a comprehensive assessment of an individual's situation that generates one monthly benefit to be paid to the person. The standard allowance per month is £252 for single people under 25, £318 for single people over 25, £395 for a couple both under 25, and £499 for a couple with either aged 25 or over. This compares to an average weekly household expenditure of £572.60 in the UK in the 2017 financial year (Office for National Statistics, January 2019), or £2536 per month. This means those on the lowest UC allowance have an income of only 10% of the UK average expenditure per household.

While we welcome the aim of UC to streamline the benefits system, there are a significant number of people who are having problems with the system – many of whom are in vulnerable situations and most in need of support. These problems include:

- It can take up to 5 weeks to process the first payment, and waits of up to 9 months have been recorded.
- Harsh and often unnecessary sanctions can demoralise people and push them away from further employment, as well as causing financial hardship.
- Administrative issues and an insufficient IT system have caused delays.

This has resulted in:

- Exacerbated rent arrears and problems for tenants
- Increased demand for local foodbanks (Trussell Trust, 2019)
- Greater risk of debt and homelessness.

History of Universal Credit

UC was first announced in the October 2010 spending review by the coalition government, with the intention to dramatically reform the benefits system. The DWP published a white paper in November that year, announcing UC's intention "to reform the benefit system to make it fairer, more affordable and better able to tackle poverty, worklessness and welfare dependency." In 2012, UC was passed into law in the **Welfare Reform Act**.

The implementation of UC was set with an original completion date of October 2017, but this was reset in 2013 after the government faced a series of problems in managing the programme and developing the necessary technology. This has been a repeat pattern in the roll-out of UC, with the completion date now delayed until March 2023.

It was expected that through the changes in the benefits system to introduce UC: 300,000 more people would move into work, fraud and error would be reduced by £2.1 billion a year, and that it would save £0.4 billion a year in administering benefits. However, these targets were altered, as the DWP struggled with early development of the UC programme.

As of June 2018, £1.9 billion has been spent on UC, comprising of £1.3 billion on investment and £0.6 billion on running cost. The DWP expects the annual net benefit of UC will be £8 billion, but this forecast remains unproven. In order to do this, it will need to:

- Increase the number of people per work coach from 85 (March 2018) to 373 by 2024-5.
- Increase the number of people per case manager from 154 (March 2018) to 919 by 2024-5.
- Reduce the administrative costs per claim from £699 (March 2018) to £173 by 2024-5.
- Increase the percentage of individuals able to verify their identity online from 38% to 80% by 2024-5.

All this must be achieved at the same time as DWP intends to expand UC, transferring more people from the former benefits system onto UC. As of March 2018, 815,000 people were claiming UC, but the DWP expects by 2024-5 8.5 million people will be claiming UC.

The National Audit Office (June 2018) has raised a number of concerns about the implementation of UC. It noted some people have struggled to adjust to UC, with a significant minority of those claiming from UC suffering difficulties and hardship during the rollout. This is in light of the DWP's findings that **four in ten people on UC that were surveyed were experiencing financial difficulties** as of June 2018. Further, **one in five people do not receive their full payment of UC on time**. In 2017, the DWP paid around 113,000 new claims late, which is approximately 25% of all new claims.

In addition, the National Audit Office (June 2018) highlight the **additional costs created for local organisations** that help to support people on UC, including local authorities and charities, such as Citizens Advice. Indeed, local authorities, housing associations and landlords have all seen the cost of UC through an increase in rent arrears since the introduction of UC full service. There has also been an increase in the use of foodbanks in at least some areas where UC full service has been rolled out, and a greater demand for advisory and advocacy services. This has put considerable strain on local charities. In the 2018-19 financial year, 12% of the issues seen by Citizens Advice Oxford were regarding UC, totalling 2,141 issues.

It is still unclear whether UC will cost less to administer than the existing benefits system. However, it is unrealistic to expect the DWP to repeal UC or implement another system. The changes already made to the benefits system since the start of UC implementation are substantial and far-reaching, with many changes to job centres, DWP's digital system and its working practices. Rather, reforms must be made to ensure UC is able to effectively encourage people into work and support the most vulnerable.

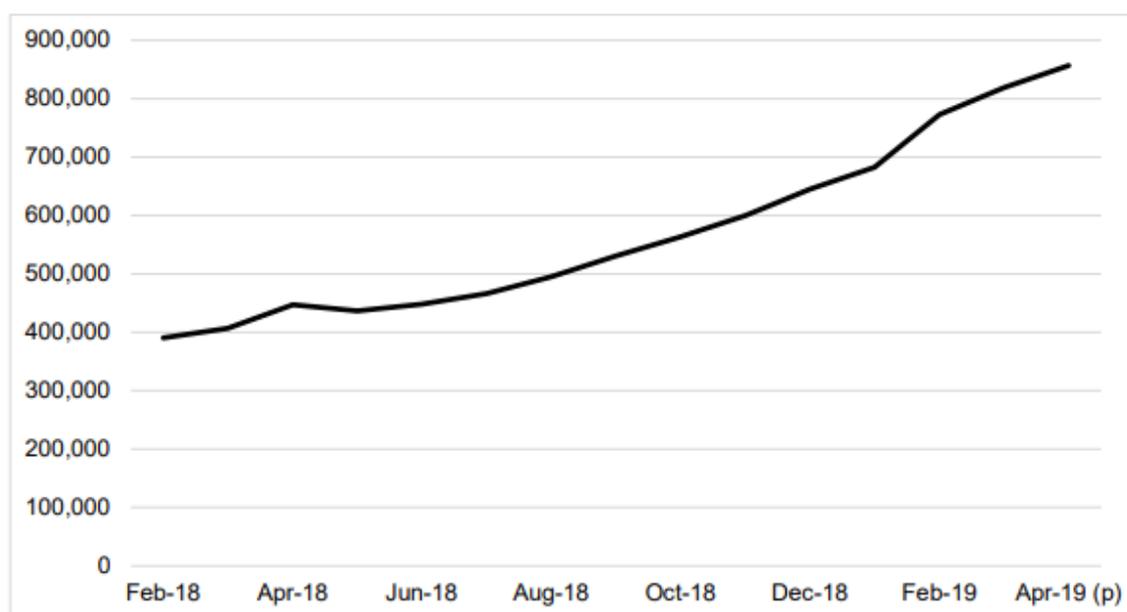
Conditionality in Universal Credit

Conditionality, or 'work related activity', groups capture a person's circumstances and work capability. The group a person is assigned determines the conditions they must satisfy to receive UC. There are four conditionality groups a person can be placed into (see Appendix for further information): **no work-related requirements**, **work focused interview requirement only**, **work preparation requirement**, and **all-work related requirements**. It is possible that you may face conditionality requirements even though you are already employed. These are known as in-work requirement, and could involve increasing your hours, finding additional work or finding a new job with a higher income. The four conditionality groups are divided into six

associated Labour Market regimes, which define the level of intervention and support people on UC can expect to receive.

In February 2019, just under **half of all people on UC (45%) were estimated to be in the intensive work search regime**, the Labour Market regime with the most commitments, including both those unemployed and in work. The number of people in this group has increased steadily and this is expected to continue increasing with the roll out of UC. This is shown in Figure 1:

Figure 1: number of people in the intensive work search regime in Great Britain.



Source: DWP, 2019.

This means more people than ever have the highest level of claimant commitments, which they must fulfil in order not to have their UC sanctioned. Sanctions have led to vulnerable people turning to food banks and charities for support with their basic daily needs. The Trussell Trust (2019) found that on average, **12 months after the roll-out of UC in an area, food banks see a 52% increase in demand.**

Nationally, Citizens Advice have identified a number of issues with conditionality:

In-work conditionality – For the first time ever, individuals in work can be asked to undertake more paid work or better paid work. This can be difficult for people in unpredictable situations, such as low-income employment, agency work or zero-hour contracts. It may also stunt career progression, since a person may have to more frequently change jobs to fulfil the commitment. This is likely to be particularly the case amongst working mothers. DWP estimates that claimants already in work will **work an additional 113 million hours each year**, and that working mothers will account for 95% of this (Comptroller and Auditor General, National Audit

Office, 2018, p.54). Thus, these women are most at risk of losing out, as a result of in-work conditionality commitments.

Further, there are barriers outside a person's control that can impact their hourly pay or daily hours, such as the available jobs in a local economy, available childcare provisions and availability of public transport. There is an assumption that employers will actively work with employees to improve pay or progression, which is not always the case.

Discretionary power of work coaches – Each person on UC is assigned a work coach who will assist them in meeting their commitments, and in progressing them off benefits. Work coaches are supposed to account for individual barriers by personalising conditionality requirements, but they often lack the necessary resources, training and knowledge to do so. Work coaches at a number of Jobcentres have been on strike and express frustration at the size of their workload and insufficient staffing levels. Mark Serwotka, General Secretary of the Public and Commercial Services Union, has said “Instead of trying to solve this ongoing dispute over workloads and recruitment, Ministers are spending thousands on a propaganda campaign to promote a failed Universal Credit system.” (Mirror, 2019).

Cuts to Jobcentre funding have resulted in a lack of personalised service, which penalises people claiming UC and could make them more likely to be sanctioned (Huffington Post, 2019).



Luke's Story

Luke was having issues with a work coach. He has medical limitations in both looking for work and taking work, and a fit note from his doctor to reflect this. Luke went to his Job Centre appointment but was seen by a different work coach from his usual one. He explained to them how he still could not work nor look for work. As Luke's previous work coach had been aware of his medical conditions, he had not felt it necessary to submit medical evidence again regarding why he could not undertake or look for work. But, the new Work Coach sanctioned Luke for not looking for or taking work. He told our Adviser that he felt as though the work coach had not listened to his reasons for not looking for or taking up work. He said he felt as though the work coach was more concerned with getting through their appointments than listening to his individual circumstances.

The general approach of 'claimant commitments' - Those placed in 'all work related requirements', who are not in work, have to spend **35 hours a week searching for work**. In some cases, claimant commitments could be detrimental to people on UC, particularly those in vulnerable circumstances. There is a significant risk of claimant commitments becoming a

punitive checklist, rather than something which builds understanding, and which supports and motivates people. Indeed, claimants have reported feeling **controlled, monitored and trapped**. Those wanting to seek better employment can be sanctioned for leaving their jobs.

Damaging long-term earning potential – In-work conditionality and the threat of sanctions can have a significant impact on a person’s career progression and ability to work in a suitable profession. Those on UC have found the system of sanctions places emphasis on taking the first job they can, even if this is unsuitable for them and not conducive to career progression. Further, those wishing to pursue part-time education to improve their employability face significant barriers. If your part-time education course is arranged with your Work Coach, your claimant commitment will be changed to reflect all the hours you spend studying. However, if you are in the all work-related requirement group, and the course was not arranged with your Work Coach, you must be prepared to give up the course if offered suitable work, or face sanctions.



Rose’s Story

Rose has a young child and her partner recently left her, so she needs to find childcare. She finds this difficult as despite the fact that she works a part-time job, the hours are irregular and she cannot find someone to consistently cover childcare when she needs it. Her rota keeps changing and she is unable to obtain childcare in advance. Rose is unhappy in her job, as the hours are inconsistent and the job has a negative impact on Rose’s life. Rose hopes to work in a school and has a placement on a Development Course. She hopes to move to paid employment in that area but is reluctant to as she fears a sanction for leaving employment to study. Rose has described feeling trapped in her current job, as she does not want to jeopardise her UC payment, but wants to find work that is more regular and suited to her.

Sanctions

Within conditionality, the majority of advice we provide is in regards to sanctions. Sanctions are imposed on people when they fail to fulfil the commitments of their conditionality group. There are four levels of sanctions: highest level sanctions, medium level sanctions, low level sanctions and lowest level sanctions. All, apart from the lowest level sanctions, result in a **100% withdrawal of your UC standard Allowance**, for a given amount of time. The period your UC Allowance is withheld for escalates with repeat failure to comply with your conditionality group commitments. For lowest level sanctions there is a withdrawal of 40% of your UC Allowance. The type of sanction applied depends on the commitment you failed to meet and your conditionality

group. These deductions are being applied to people already on the bare minimum to cover their living expenses.

Sanctions have been shown to have a detrimental impact, as they fail to help people move into work, push recipients of UC further into poverty, and cause significant distress in the process (Wright et al., 2018). They can last for up to 3 years, and whilst Hardship Payments at the rate of 60% of the benefit which has been stopped can be claimed, these will have to be repaid at the end of the sanction period. In fact, repayment of hardship payments, at a rate of 40% of someone's standard allowance once the sanction period has ended, can cause significant problems.

A sanction should not be applied if a person can give a “**good reason**” for not being able to fulfil their commitments. However, of our clients who have faced sanctions, many had a good reason for not fulfilling their claimant commitments. These include:

- Client was ill at the time of the appointment and had medical evidence to prove so.
- Client was unaware of the appointment as it was in their UC online journal and they have no internet access.
- Client's mother had fallen ill and she was looking after her. She could not attend her jobcentre appointment because she had no one else to care for her mother.
- Client was sectioned under the Mental Health Act 1983 and given a fit note to say that he would be unable to undertake work.
- Client did not attend appointment as he had only recently been released from hospital and was not fit to attend.



Ben's Story

Ben was sanctioned for not attending his appointment at the Job Centre. Ben's Job Centre appointment was on the same day as his court hearing. He was so stressed about preparing for the hearing that he had forgotten about his Job Centre appointment. Ben wrote to his work coach to reconsider the sanction and gave evidence that he could not attend the Job Centre appointment, because he was at his court hearing. He was unsuccessful. Despite explaining this to his work coach, the sanction was not lifted and Ben was left needing to borrow money from his local council.

Sanctions are often imposed before people are given an opportunity to explain a good reason for failing to fulfil a commitment. Whilst payments can be backdated once you have established a good cause for the action taken, people can suffer great financial hardship and stress during the sanction period.

Currently, 8% of UC claimants who are seeking work receive a sanction, as well as 3% of those in work. **Of sanctions that go to appeals tribunal, 81% are overturned** (Comptroller and Auditor General, National Audit Office, 2018). This shows decisions to sanction people are often not correct, and could have been prevented if those sanctioned had the opportunity to present a good reason for non-compliance.

Recent Government Action

In November 2018, the House of Commons Work and Pensions Select Committee released its Benefit Sanctions report, reviewing the Government's use of sanctions in UC. The stated objective of conditionality and sanctions is to motivate people to engage with support and take active steps to move closer into work.

However, the Committee found the evidence on the role of sanctions in achieving this goal to be extremely limited, and the Government's **failure to evaluate its reforms to the benefits system unacceptable**. After reviewing all of the evidence on how sanctions affect people receiving UC, the Committee made a number of important recommendations.

The House of Commons Works and Pensions Committee (2018) made the following key recommendations:

1. **To reduce higher level sanctions** to two, four and six months for first, second and subsequent failures to comply.
2. DWP to develop a better understanding of **how sanctions affect employment outcomes of vulnerable claimants**, including single parents, care leavers and people with an impairment or health condition. Unless there are strong causal relations between sanction and employment outcomes for these groups, they should be **excluded from the sanctions system**.
3. In the meantime, to **only ever withhold 20% of benefit** for all those who are the **responsible carer** for a child under the age of 5, or a child with demonstrable additional needs and care costs, and **care leavers** under the age of 25, if they are sanctioned.
4. DWP to immediately **stop imposing conditionality and sanctions on anyone found to have limited capability for work**, or who presents a valid doctor's note (Fit Note) stating that they are unable to work, including those who present such a note while waiting for a Work Capability Assessment.
5. DWP to **not proceed with conditionality and sanctions for in-work claimants**, unless on the basis of robust evidence it will be effective at driving progress in work.
6. **Sanctions to be cancelled** when a claimant's **change in circumstance** means they are no longer subject to the requirement that led to the sanction in the first place.

7. DWP to immediately **ensure any deductions from standard allowances are postponed** for the duration of any sanction imposed, so that children and housing welfare are protected.
8. DWP to develop a **standard set of questions**, covering all possible easements, **for work coaches** to routinely ask people when agreeing their Claimant Commitment.
9. DWP to review and improve **information about easements** made available to claimants.
10. DWP to introduce **regulations on what counts as a good reason** for failure to comply with a Claimant Commitment, which still allows work coaches to exercise judgment in any situation not included.
11. DWP to use its newly announced trial system of **warnings, instead of sanctions, for first sanctionable failures**, applied in limited circumstances, to move towards introducing warnings, instead of sanctions, for every claimant's first failure to comply.
12. Work Coaches to be required to include a **recommendation on whether a sanction should be imposed** based on their knowledge of the claimant and their circumstances.
13. Sanctions to only be imposed after the claimant has been given **30 days to respond to the provisional sanction**, starting from when they are alerted that they are at risk of being sanctioned, and the evidence on which this is based.
14. DWP to commit to a **timetable for making decisions** about sanctions at Mandatory Reconsideration and appeal, and make this information available to claimants.
15. DWP to revise guidance on hardship repayments, so that rates are set at an affordable level to the claimant. We recommend the **default repayment rate be 5% of their standard allowance**. Currently, hardship payments, available as loans to those on UC who have been sanctioned, However, are recovered at a rate of 40% of someone's standard allowance once their sanction period had ended.

Following the Work and Pensions Select Committee's report, the government issued a statement outlining its response (February 2019). In this, it pledged to conduct further research to evaluate the effectiveness of reforms to welfare conditionality and sanctions, including its impact on vulnerable individuals. It will also review and **improve information on easements**, and make this information more available to those on UC by providing all new claimants with an information package.

However, of the above recommendations, **the Government has only formally accepted one**, that is to provide better information about easements. The rest have either been rejected by the Government or are under consideration. In fact, the DWP refused to: remove vulnerable

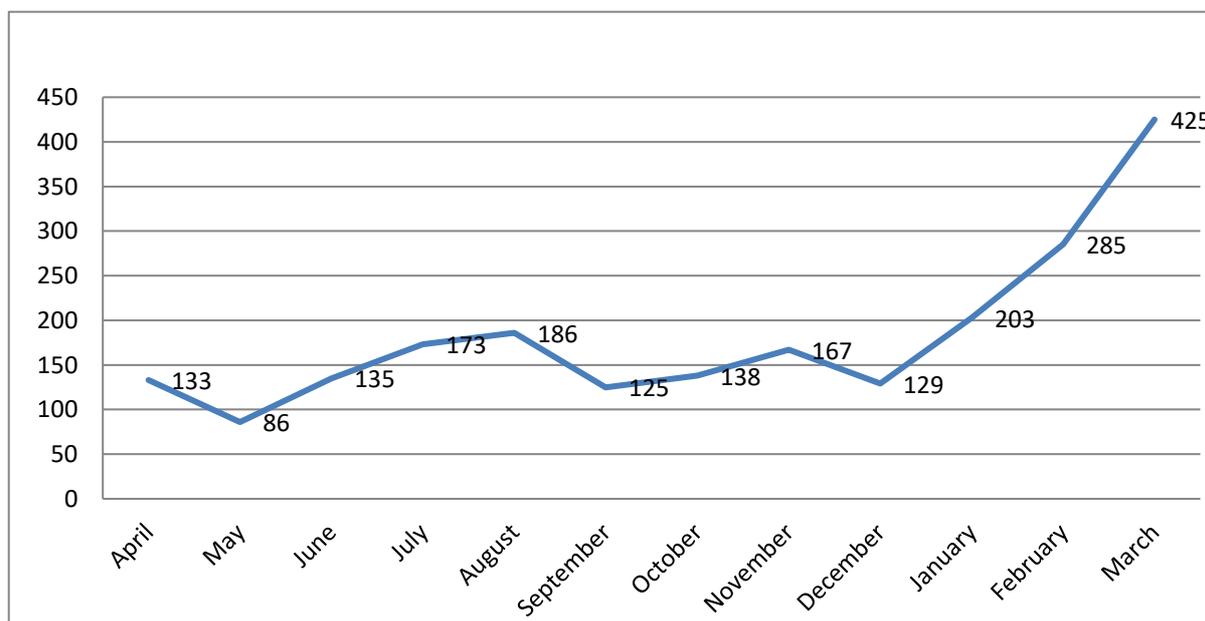
people from the sanctions system or reduce the maximum amount of their benefit sanctions; stop imposing conditionality on those in-work; cancel sanctions when people move to different conditionality regimes; and allow people an additional 30 days to provide evidence of good reason following a provisional sanction before it is enforced.

Whilst the Government initially rejected the Committee’s recommendation to reduce sanction lengths, in May 2019, former Work and Pensions Secretary, Amber Rudd announced that the **maximum three-year sanctions are too long** and should be cut to a maximum of six months. Yet, despite this announcement, we have yet to see the DWP announce substantive steps it has taken to reduce sanction lengths.

Universal Credit in Oxford

Of the 18,381 issues seen by Citizens Advice Oxford during the last financial year (April 2018-March 2019), **40% concerned benefits issues**. Of those benefits issues, just under a third concerned UC. There was a **marked increase** in the number of UC issues seen by Citizens Oxford during 2018-19, as can be seen in Figure 2.

Figure 2: Number of Universal Credit issues seen by CA Oxford 2018-19 (financial year).



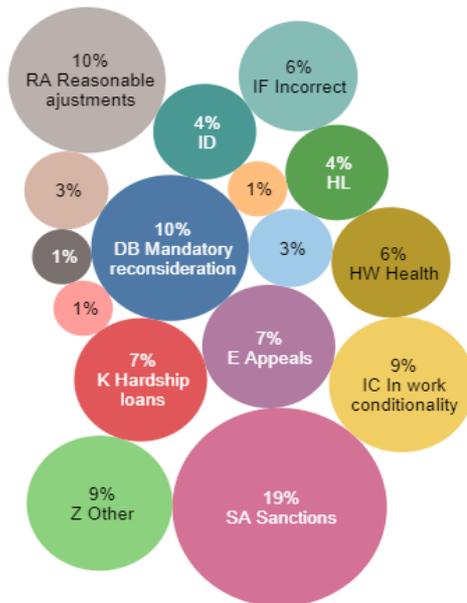
Source: Casebook.

Throughout the 2019 financial year we saw 70 issues of Conditionality and Commitment, making up 3% of the Benefits & UC issues. This was 5 times the number we saw in the 2018 financial year. Whilst this increase is to be expected given UC was only rolled out in Oxford in October 2017, the number of our clients that face difficulty with Conditionality and Commitment within UC is still significant. Within Conditionality and Commitment, a client can

experience multiple issues, with the most common we saw being sanctions. This is demonstrated in Figure 3.

Figure 3: Issues experienced within conditionality 2018-19 by CA Oxford.

Size part 3 issues



Source: Casebook.

Both nationally and locally many people are unaware that they can change their conditionality group if they can prove that the commitment being asked of them is beyond their capability. This may mean less clients come to us for help with this problem, even if they are facing difficulties. Thus, while the number of issues recorded is not high, this does not mean conditionality is an insignificant problem for those on UC.

Sanctions

Several cases seen by Citizens Advice illustrate the punitive effects of sanctions on clients, and how they are often applied, despite the person having a good reason for not fulfilling their claimant commitments.



Jo's Story

Jo was sanctioned because she had left employment. Jo had left her part time job because her mother had fallen ill with cancer and she needed a full-time carer until she recovered somewhat. Jo had informed the jobcentre of the change in circumstances but this was not recorded by the Job Centre. As a result, the sanction on Jo's UC payment remained. Jo is a single mother of one child. She resides in council property and has accumulated rent arrears estimated £2000. After Jo's UC payment was sanctioned, compounded with the fact that she was looking after her mother, Jo struggled to make ends meet for the family.

Conditionality Groups

Citizens Advice Oxford has seen a number of clients regarding conditionality groups. In the 2019 financial year, 6% of the Conditionality and Commitment issues we saw within UC were on clients being placed in the incorrect conditionality group. It is important we help to ensure clients are placed in the right conditionality group based on their capability to fulfil claimant commitments, so they are not sanctioned.

The 'in work conditionality group' has produced concerning issues both nationally and locally. For instance, a number of our clients who have severe health problems have been placed in the 'in work conditionality' group, despite fit notes from the doctor detailing they are not fit to undertake work. DWP has a category called 'Limited Capability for work' (LCW), which is meant to take into consideration limiting factors that affect a person's ability to work. Despite giving medical evidence, clients have been denied LCW and have had to continue to work the set number of hours in order to fulfil their commitment. Otherwise, they risk a UC sanction.



Rohit's Story

Rohit has been on UC for one month. He recently got a job but broke his hand in a work-related accident. Rohit was off work for 6 weeks and then worked again for a month before he was let go, because his hand injury did not allow him to fulfil the requirements of his job. Rohit submitted evidence in the following months to his work coach to show that he is not capable of working due to his hand. This was rejected, the decision then appealed and then rejected again. Rohit was deemed to not be fulfilling his claimant commitment and resultantly was sanctioned, despite reporting his change in circumstances.



Gloria's Story

Gloria suffers from a number of significant mental health conditions and had been sectioned twice in the year she came to Citizens Advice Oxford. Gloria had been asked to sign a claimant commitment to seek work full time. Gloria states that she is not fit for work and cannot fulfil that requirement. Her medical history reflects this. The client came in as she was concerned that her mental health will make it difficult for her to fulfil her commitments and will result in a UC sanction. Previously, the client had already appealed and won against a UC sanction and she did not want to go through the process of that again, as she had suffered greatly during it.

It is clear that the commitment required of claimants does not always accurately reflect their capability. Pressurising these people with the threat of sanctions to fulfil their commitment can place them in a worse position than before they began UC, due to the financial hardship and significant distress.

Work Coaches

The ongoing closure of Jobcentres since 2015 and decline in staffing in certain locations has resulted in fewer work coaches, who are thus less able to offer an individualised service and are not always adequately trained to conduct the assessment of a person's situation. Anna Stevenson, a welfare specialist at Turn2US, has reported that **the reduction in the number of Jobcentres**, at a time when demand for them is increasing because of UC, can only **leave more**

people at risk of being sanctioned, because they struggle to comply with their obligations, and access the resources they need to manage their claims (Huffington Post, 2019). Luke's Story (p.7) illustrates this.

Time and expertise are necessary for work coaches, especially where they are dealing with vulnerable individuals. Work coaches at a number of Jobcentres have been on strike and express frustration at the size of their workload and insufficient staffing levels. Work coaches are instrumental in making sure that the set of commitments adequately reflects a person's capability. However, their growing workload may mean the interpersonal relationships with claimants, that ensure they feel comfortable reporting changes in circumstances, are lost.

This is a concern echoed by both those receiving UC and work coaches alike. The workload on work coaches is only going to increase, resulting in less of a personalised service. In order to assist claimants in reaching a basic standard of living, and improving their lives for the future, a personalised service is vital. Unless DWP invests into creating more work coaches and adequately training them, this will continue to be an issue.

Conclusion

The importance of reform to UC, particularly the conditionality and sanctions systems, cannot be stressed enough. Sanctions can be unfairly harsh and punitive, causing people **financial hardship and distress**, often due to mistakes and structural inadequacies. Those sanctioned may be at **increased risk of falling into debt, rent arrears, homelessness and having to rely on local foodbanks**. The assignment of conditionality groups must be reviewed and improved to ensure claimants are able to meet their corresponding commitments. Both a more personalised service that can tailor claimant commitments to an individual's capabilities and needs, and a less punitive sanction system are necessary, if UC is to be successful in helping the most vulnerable. Further, the process of changing conditionality groups must be simplified and expediated, so as to better respond to changes in a person's circumstances. DWP should consider whether comprehensive changes to conditionality assignment and its sanctions system would be able to achieve this. In addition, an evaluation of the effectiveness of reforms to welfare, and the impact of sanctions on people's financial and personal well-being is urgently required. It is disappointing that the Government have so far largely **failed to act on the House of Commons Works and Pensions Committee's recommendations**. Pending comprehensive assessment and reform of UC, we recommend several steps DWP could take to improve the system of UC as a whole.

Recommendations

We agree with the House of Commons Works and Pensions Committee's recommendations (2018), and believe the Government should focus on implementing the following:

1. **Reduce higher level sanctions** to two, four and six months for first, second and subsequent failures to comply, following, the former Work and Pensions Secretary, Amber Rudd's announcement.
2. **Exclude vulnerable claimants** from the sanctions system, until there is evidence of strong causal relations between sanction and employment outcomes for these groups. The Government must commit to undertaking analysis on how sanctions affect well-being to better understand how sanctions affect vulnerable claimants.
3. **Stop imposing conditionality and sanctions on anyone found to have limited capability for work**, or who presents a valid doctor's note (Fit Note) stating that they are unable to work, including those who present such a note while waiting for a Work Capability Assessment.
4. **Not proceed with conditionality and sanctions for in-work claimants.**
5. **Cancel sanctions** when a claimant's **change in circumstance** means they are no longer subject to the requirement that led to the sanction in the first place.
6. Introduce **regulations on what counts as a good reason** for failure to comply with a Claimant Commitment.
7. **Expand** its trial system of **warnings, instead of sanctions, for first sanctionable failures**, to every claimant.
8. Develop a **standard set of questions for work coaches** to routinely ask claimants when agreeing their Claimant Commitment.
9. Work Coaches to **recommend on whether a sanction should be imposed** based on their knowledge of the claimant and their circumstances.
10. To only impose sanctions after the claimant has been alerted and has been given **30 days to challenge the provisional sanction.**
11. Commit to a **timetable for making decisions** about sanctions at Mandatory Reconsideration and appeal.
12. Revise guidance on hardship repayments, so that rates are set at an affordable level. We recommend the **default repayment rate be 5% of a claimant's standard allowance.**

Citizens Advice Oxford further recommends:

1. DWP to be **more transparent** and make information on the application for UC and types of conditionality group **more accessible to claimants**.
 - To be made clearer to claimants what evidence, such as medical documents, they need to provide to be placed in the right conditionality group.
2. DWP to increase the number of work coaches as it continues to roll-out UC, and provide proper training to deal with complex claimant situation in regards to conditionality and sanctions. With the **number of people each coach works with expected to increase from 85 to 373 in steady state over the next few years** (Comptroller and Auditor General, National Audit Office, 2018, p.4), work coaches are at risk of being extremely overworked.
3. DWP to **promote non-digital access to UC** to ensure people unable to make claims online or access their online portal are not sanctioned and are placed in the right conditionality group.

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Appendix

The different conditionality groups in UC are:

- **No work-related requirements:** you will be placed in this group if you are earning above your earnings threshold (usually based on what you would earn if you worked for 35 hours a week at the National Minimum Wage). There are also other qualifications that may place you in this group, such as if you have limited capability for work and work related-activity (LCWRA), or caring responsibilities.
- **Work-focused interview requirement only:** you are placed in this group if you are responsible for a child aged one or you are a foster carer for a child under 16 (or under 18 if the child has care needs). In this group you are required to attend work-focused interviews to discuss plans and opportunities for returning to work in the future.
 - You will not be required to apply for, or take up a job, or engage in work preparation activity.
- **Work preparation requirement:** you are placed in this group if DWP decides you have 'limited capability for work' (LCW). Those assessed to have LCW are deemed to be capable, with support, of preparing for work at some point in the future. This could entail attending training courses, preparing CVs or being part of a work programme.
 - You are not required to take steps to apply for or take up work as a condition of your claim.
- **All work-related requirements:** This conditionality group consists of two labour market regimes - the **Light Touch regime**, which includes claimants who are on low earnings and currently face no work search related requirements, and the **Intensive Work Search regime**, the full conditionality group. The expectation is that you should look for full time work for 35 hours a week and may be expected to take work of up to 48 hours per

week. The hours expected can be reduced where you have caring responsibilities or have physical or mental health problems.

- You are required to look for and be available for work.
- **In work requirements:** it is possible that you may face conditionality requirements even though you are already employed. This is dependent on how much you are earning and whether your wages are over your earnings threshold. If you are already in work and claiming UC because you earn below the minimum threshold, you will likely be placed in the all work-related requirements conditionality group. The labour market regime you are placed in depends on your earnings.
 - If you are earning below your threshold, you will be expected to make efforts to increase your income through either the Light Touch regime or Intensive Work Search regime. This could entail increasing hours, finding additional work or finding a new job with a higher income.

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