

Benefit sanctions inquiry

Gingerbread written submission to the Work and Pensions Committee

About Gingerbread

1. Gingerbread is the leading charity working with single parent families. We campaign against poverty, disadvantage and stigma to promote fair and equal treatment and opportunity for single parents and their families. Over 800,000 single parents visited our website last year, many of them seeking the expert information and advice we provide online and through our helpline.

Summary

2. Gingerbread's analysis shows that sanctions are not an effective tool to ensure job-seeking behaviour among single parent claimants and effective public spending.
3. For single parents, sanctions tend to arise due to one-off errors or a fundamental difficulty in meeting job-seeking expectations due to barriers to work (eg needing flexible or part-time work, and accessible childcare). As a result, sanctions are used to police a tick-box approach to assessing job-seeking, rather than targeting an actual lack of motivation to (seek) work.
4. Given the devastating financial and emotional impact on single parents and their families, a significant realignment of sanctions policy is needed to ensure it is genuinely targeting non-compliance and used as a 'last resort' as purported by the Department for Work and Pensions (DWP).
5. A system of 'last resort' would involve:
 - Limited use of financial penalties
 - A robust warning and review system, supported by well-resourced and trained work coaches
 - Fairer conditionality, with transparent processes for agreeing and reviewing job-seeking expectations.

To what extent is the current sanctions regime achieving its policy objectives?

6. The purpose of benefit sanctions is purported to be to change behaviour to help people into work and to ensure 'fairness for the taxpayer'. On both counts, evidence from the use of sanctions in the case of job-seeking single parents suggests the current regime is failing on both counts.
7. For single parents, benefit sanctions as a 'stick' to encourage claimants to seek work are ineffective as barriers to work and apparent 'non-compliance' has often little to do with motivation or intention to seek work. Instead, single parent sanctions are applied for logistical or practical issues (eg missed appointments due to childcare arrangements falling through) or structural barriers to work (eg a lack of suitable flexible work to apply

for in a given week, or a lack of suitable childcare to enable a job application). In these circumstances, sanctions serve little purpose.

8. In fact, our evidence suggests that sanctions can make single parents' employment prospects even worse (Rabindrakumar and Dewar, 2018). The immediate impact of a sanction can make it impossible to continue to seek work, due to travel costs to attend jobcentre appointments or interviews. Sanctions – often felt to be unfair when imposed for circumstances out of the control of single parent claimants – can disrupt single parents' relationship with the jobcentre and their work coach. Re-establishing trust and engagement with jobcentres can be difficult.
9. As the National Audit Office (NAO) has pointed out, there has been no robust analysis of the effectiveness of the benefit sanctions regime – particularly whether it provides any value for money (see notes on wider impact of sanctions below). It is therefore difficult to gauge as to whether the regime provides fairness for the taxpayer.
10. What is very clear from the single parents who call Gingerbread's helpline and have provided in-depth histories of their cases in our research, is that there is a gaping gap between sanctions policy intention and reality. Rather than targeting cases where 'behavioural change' might be needed (ie wilful noncompliance), sanctions are used to police a tick-box approach to assess whether a claimant is job-seeking or not. From single parents', there is often little flexibility or accommodation of the wider circumstances of claimants, despite the discretion supposedly available to work coaches. For non-working single parents – the vast majority of whom want to work or study, and are juggling parenting alongside seeking work – this is fundamentally problematic and, as a result, can leave them falling short of the rigid expectations of job-seeking.

Is the current evidence base adequate and if not, what further information, data and research are required?

11. There are significant limitations to the current evidence base around benefit sanctions. Quarterly statistics are very difficult to analyse for any layperson, leaving it difficult to interrogate sanctions policy. Key gaps include:
 - Annual sanctioning rates by household type – while it is recognised that single parent sanction data is important (numbers are broken down by single parent status), the more useful indicator of risk is not available
 - Universal Credit sanctions data – there is very little data available on Universal Credit sanctions, meaning they are of limited use; even limited data on sanction decision numbers by household type was only made available to Gingerbread through a Freedom of Information request; it is particularly concerning that comparisons may not be possible between legacy benefit and Universal Credit sanction rates
 - Hardship payments data – while hardship payments are used to defend criticisms of the financial hardship experienced (in a similar vein to advance payments under Universal Credit), much better data must be provided; a recent Freedom of Information request failed as data was not collected by household type, preventing any assessment of the apparent enhanced access for 'vulnerable' groups.

12. There are wider gaps in the government's evidence base which have been alluded to by the NAO and others, including:
 - The value for money (covering not just economic value for money, but also policy effectiveness) of the benefit sanctions regime
 - The impact of sanctions on claimants and their families – particularly looking at groups with specific risks, eg single parents, those with mental health conditions, or those who are homeless.

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?

Minimise financial penalties

13. In the first instance, action must be taken to minimise the use of financial penalties. Benefits that are sanctioned are an essential part of claimants' safety net; for families with children – particularly single parent families with no other adult earner – sanctions can have a devastating impact. As indicated by Gingerbread's recent research (Rabindrakumar and Dewar, 2013), sanctions through single parents' finances into disarray, leading to debt and reliance on emergency support such as food banks. Debt often results in rent arrears, which can place housing at risk. Even when sanctions are overturned and benefits repaid, it is often still difficult to recoup losses when debts are incurred. While hardship payments are available and supposedly available from day 1 of a sanction for vulnerable claimants (including parents), the evidence from available take-up data and single parent reports indicate that not all claimants are aware of these payments and not all applications are successful. The result is that sanctions have a significant and lasting impact which is arguably difficult to justify as proportionate to many of the supposed transgressions being penalised.
14. In light of the impact of financial sanctions, Gingerbread would like to see a proper warning system introduced. It is important to note that previous descriptions of the DWP pilot in Scotland as a 'yellow card' system is something of a misnomer. Allowing an extra two weeks to provide evidence is not a genuine 'yellow card' system and does not address situations where the 'offence' being sanctioned is difficult to challenge with further information (for example, reducing hours to manage childcare). To embed a system which genuinely wishes to penalise non-compliance – rather than minor errors, a lack of awareness of conditions, or a lack of flexibility from work coaches – a formal system of warnings for an initial 'offence' instead of a financial sanction should be put in place. This could take the form of a warning which triggers a meeting to ensure both the claimant and work coach have a mutual understanding of rules, providing an opportunity (for example) to adjust claimant commitments if they are inappropriate. There is also an argument for establishing a longer-term system of review (eg looking back at the reasons for any previous warnings rather than automatically triggering a sanction), to ensure one-off errors are not penalised, limiting sanctions for genuine non-compliant behaviour.
15. Gingerbread also questions whether financial penalties are justified at all – particularly for groups who already face significant risks of poverty, or caring for dependents, such as single parents. Nevertheless, we recognise there may be a limited political climate for

suspending them, even for these target groups. We would argue that, as a minimum, financial penalties should be more limited. Rather than withhold 100 per cent of Jobseeker's Allowance or Universal Credit standard allowance, the DWP can choose to withhold a proportion of these payments. As we have argued, there is already precedent for this through hardship payments – when they are awarded, they effectively mean sanctions amount to 40 per cent (or 20 per cent for vulnerable groups) of the benefit, allowing claimants to keep 60 (or 80) per cent of their payment. We would emphasise that even these sums would have an impact on finances for those families already only just making ends meet. Even so, reducing benefits (rather than suspending them in full) would be a more proportionate response to transgressions and provide some means of limiting the financial impact on families already on a low income.

Ensure fair conditions

16. The other key way to improve sanctions policy for groups with structural barriers to work, such as single parents, is to ensure the conditions that sanctions underpin are fair and appropriate. As our recent research indicates, single parents sanctions often arise as a result of a lack of compliance with conditions which are themselves difficult or impossible to meet when there are restrictions on claimants' ability to work (eg applying for a certain number of jobs a week).
17. One way to do this is to ensure unrealistic conditions are simply not applied. One area is to end the mandatory use of the government's Universal Jobmatch (now 'Find a job') website – particularly while it provides such limited access to part-time and flexible roles across pay and qualification levels. A second area is to suspend new job-seeking conditions placed on parents of pre-school aged children (three and four year olds) under Universal Credit until affordable and good quality childcare and flexible work is available locally.
18. Claimant commitments also need to be overhauled. These documents were (and still are) lauded as embedding claimants' responsibilities while offering personalised support. However, single parents are often unaware of the personalisation – through flexibilities – that is available to them. This is particularly worrying under Universal Credit, when many of these easements are no longer embedded in legislation but stipulated in guidance, and therefore potentially more subject to work coach discretion.
19. Second, qualitative evidence suggests these claimant commitments are not always negotiated and rarely revisited. The power imbalance between work coach and claimant – particularly if claimants are at a disadvantage in terms of awareness of available flexibilities – is not necessarily conducive to being able to negotiate fair conditions for claimants. Furthermore, under Universal Credit, receiving your first payment is conditional on signing a claimant commitment; this risks claimants signing without pushing for more scrutiny of their conditions in order to receive timely financial support.
20. One important improvement would be to provide clear guidance on available flexibilities for claimants, tailored to individual groups (eg single parents) where appropriate. A second step would be to provide a much clearer guide to the ongoing process for reviewing claimant commitments – both at the start of a claim and throughout. This would provide a pathway to claimant commitments to genuinely becoming 'living documents' which can accommodate claimants' changing circumstances – eg changing housing situations, mental or physical health, and caring responsibilities.

21. Gingerbread is also keen to see clearer scrutiny of how claimant commitments are working. Further evaluation data is expected from the DWP's Universal Credit research, but we would like to see a concerted effort to monitor claimant commitments while Universal Credit is moved out and transition begins to ensure there is ongoing scrutiny of a key element of the future benefit system. This could be in the form of a second tier of scrutiny, eg a second work coach or manager reviewing commitments against available flexibilities and support to ensure they are reasonable.

Are levels of discretion afforded to jobcentre staff appropriate? Are adequate protections in place for vulnerable claimants?

22. Gingerbread is clear that a genuinely personalised approach to employment support – which recognises claimants' often complex and changing circumstances – is the ideal way to provide employment support. However, it is evident that the current sanctions policy and wider conditionality regime is very far from delivering this approach.
23. In order to deliver personalisation, it is questionable as to whether discretion per se enhances or inhibits delivering an effective personalised approach. Indeed, Gingerbread has expressed longstanding concerns regarding the idea of work coach 'discretion' as currently implemented, reflecting the evidence raised from our research (eg Newis, 2014) and services illustrating the incorrect application of existing rules and inconsistency in provision across – and even within – jobcentres. Early evidence from single parents experiencing sanctions under Universal Credit (either warnings or those imposed; Rabindrakumar and Dewar, 2018) indicates that the particular concerns regarding downgrading flexibilities from legislation to guidance were not unwarranted, with rules still incorrectly applied and flexibilities ignored.
24. Rather, personalised jobcentre provision needs:
- Less automation of processes (eg where a referral triggers a sanction), with stronger review processes (see para 11 on an effective warning system)
 - Greater transparency and clarity regarding rules and processes for agreeing and reviewing job-seeking conditions for both claimants and work coaches (through shared guidance)
 - Proper work coach resourcing to ensure the appropriate capacity (ie caseload) and training to embed rules and processes.

What effects does sanctions policy have on other aspects of the benefits system and public services more widely? Are consequential policy changes required?

25. Gingerbread's recent research (Rabindrakumar and Dewar, 2018) illustrates how imposing benefit sanctions has a knock-on impact on wider services. Single parents have relied on support from other public services (eg housing associations) and voluntary sector provision (eg food banks, debt advice) during periods when they are sanctioned. In some cases, these services have had to negotiate and work with the DWP via jobcentres to rectify errors in benefit claims.
26. In terms of consequential policy requirements as a result of this wider impact, any review of the value for money of sanctions policy (see para 8) must take this impact into

account. Most importantly, however, implementing a fairer sanctions regime which minimises financial penalties (outlined above) will help to mitigate these effects.

Recommendations

27. Gingerbread wants to see a series of changes to sanctions and wider conditionality policy within the DWP. As we have outlined recently, the DWP should:

- Minimise financial penalties:
 - Introduce a genuine ‘yellow card’ warning system before a first sanction, where financial penalties are not the first port of call when rules are contravened
 - Reduce, rather than fully suspend, benefit payments for parents with dependent children
- Suspend unrealistic conditions:
 - End the mandatory use of Universal Jobmatch for job-seeking, allowing wider job search options for claimants
 - Suspend job-seeking requirements for parents of three and four year olds, until affordable and good quality childcare and flexible work is available locally
- Overhaul claimant commitments:
 - Publish a parent’s guide on the full range of possible single parent flexibilities
 - Introduce a clearer process for revising claimant commitments to accommodate changes in circumstances and recognise additional needs
 - Increase scrutiny and evaluation of single parents’ claimant commitments
- Rebalance employment support:
 - Introduce single parent training for work coaches, covering needs, appropriate conditions and available jobcentre support
 - Strengthen into-work support provision, eg for childcare costs
 - Pilot alternatives to financial penalties to enable job-seeking.

Bibliography

Newis, P. (2014) [*Single parents and benefit sanctions*](#). Gingerbread.

Rabindrakumar, S. and Dewar, L. (2018) [*Unhelpful and unfair: the impact of single parent sanctions*](#). Gingerbread.