

UKAJI/CASE Joint Seminar  
London School of Economics – 16 March 2016

# **Overview of the Impact of Benefit Sanctions**

**David Webster**

Urban Studies  
University of Glasgow

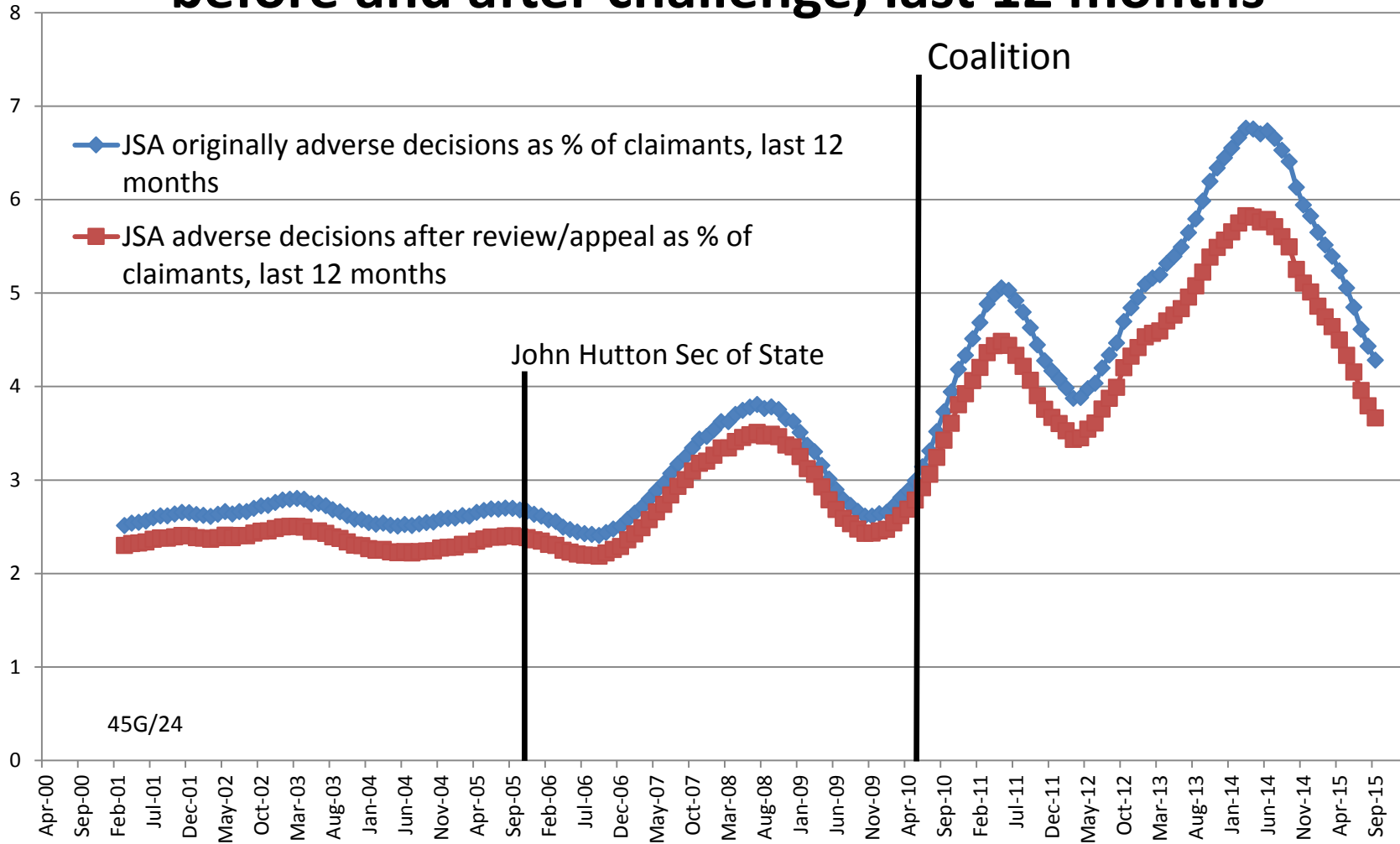
# Outline

- Rise & fall of JSA & ESA sanctions, reasons
- Hardship payments
- Likelihood of sanction of particular groups
- Negative impacts
- Do financial sanctions work?
- DWP misrepresentations

# The JSA sanctions campaign

- Doubling of JSA sanctions after 2010
- Peak 1,037,000 2012/13; 414,000 (inc. UC) 2014/15
- Fallen back but only to highest level pre-2010
- **22%** of all JSA claimants were sanctioned (after challenges) over 5 years 2009/10 to 2013/14 (Fol) – **one quarter** *before* challenges
- 12.9% of all JSA claimants sanctioned (after challenges) in 2014/15; of these, one quarter sanctioned more than once (Fol) – but DWP doesn't know actual lengths of repeat sanctions
- All the most frequently occurring JSA sanctions lengthened from 22 Oct 2012 – min. now 4 weeks, harsh penalties for repeats

# JSA sanctions per month as % of claimants, before and after challenge, last 12 months

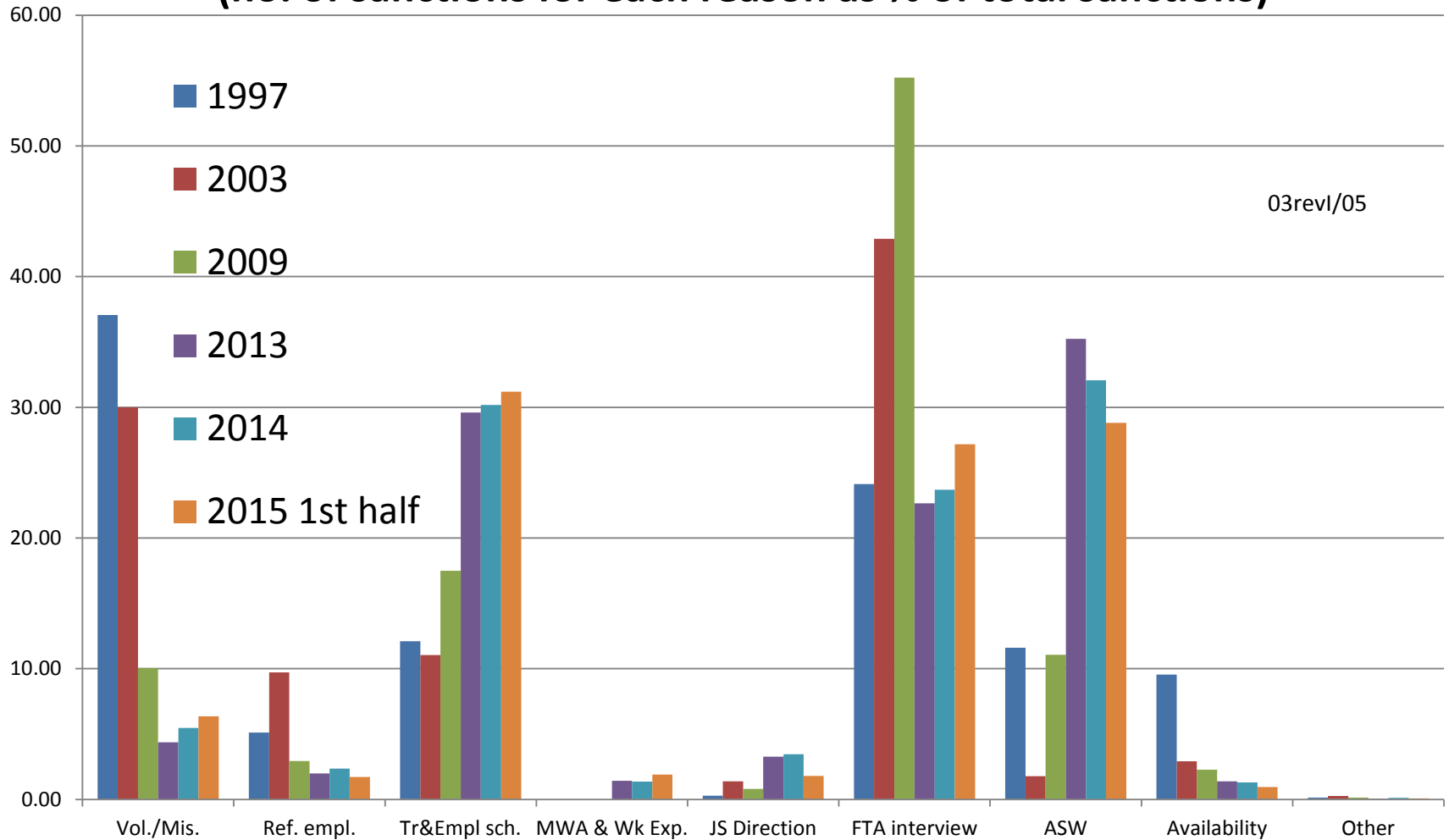


# JSA sanctions campaign (2)

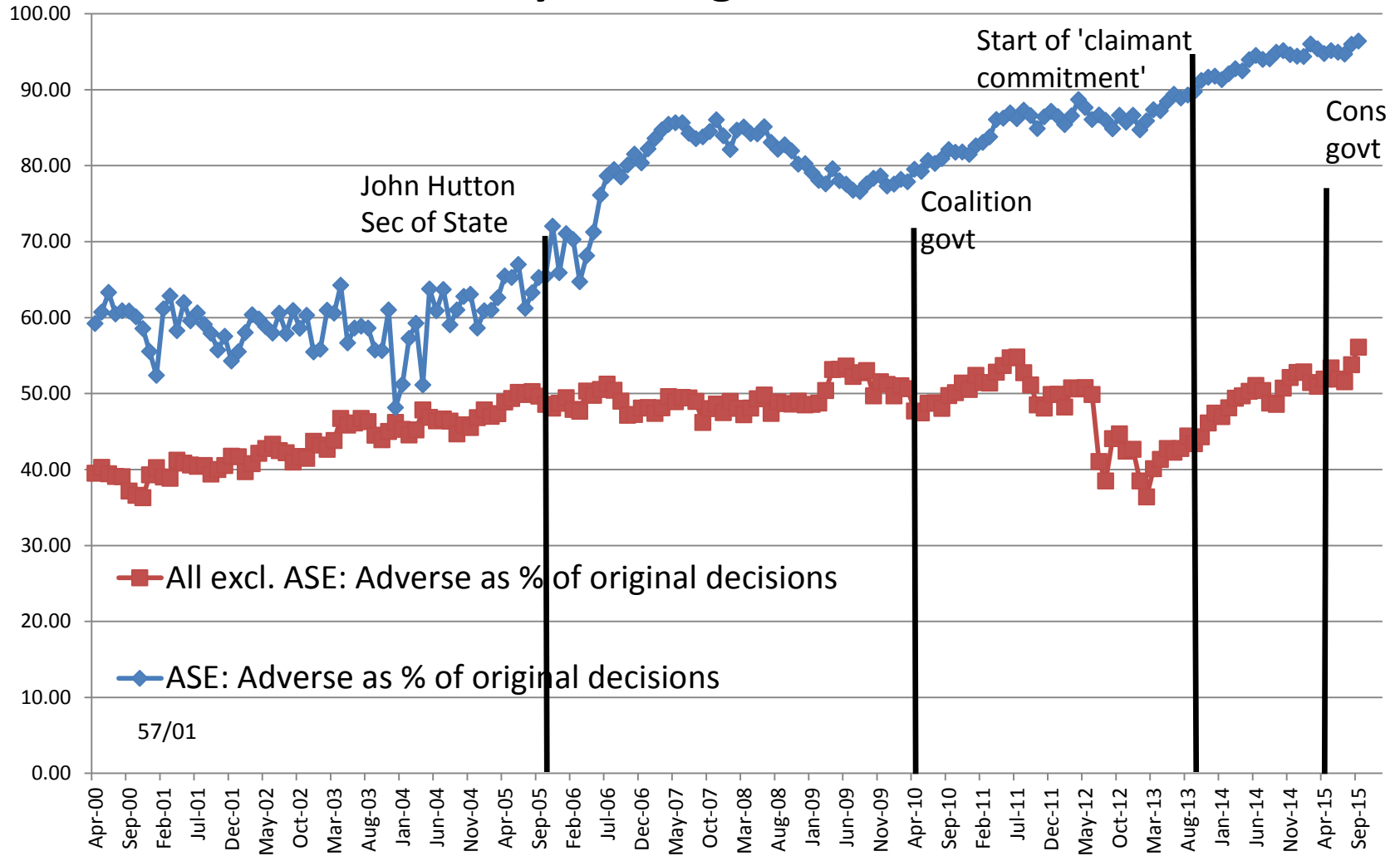
- Increase in the more aggressive JSA sanctions, especially non-participation in Work Programme & 'Not actively seeking work'
- State substitutes its view on job search for the citizen's
- DWP's own research shows that about half of JSA 'claimant commitments' have unsuitable, useless or unachievable actions
- Proportion of 'not ASW' referrals resulting in sanction risen to 96% (other referrals: 54%)
- Ministers have driven up sanctions through management action – not 'targets' but 'expectations'

# Changing reasons for JSA sanctions

(no. of sanctions for each reason as % of total sanctions)



# JSA sanctions: Adverse as % of original decisions: 'Not actively seeking work' and all other

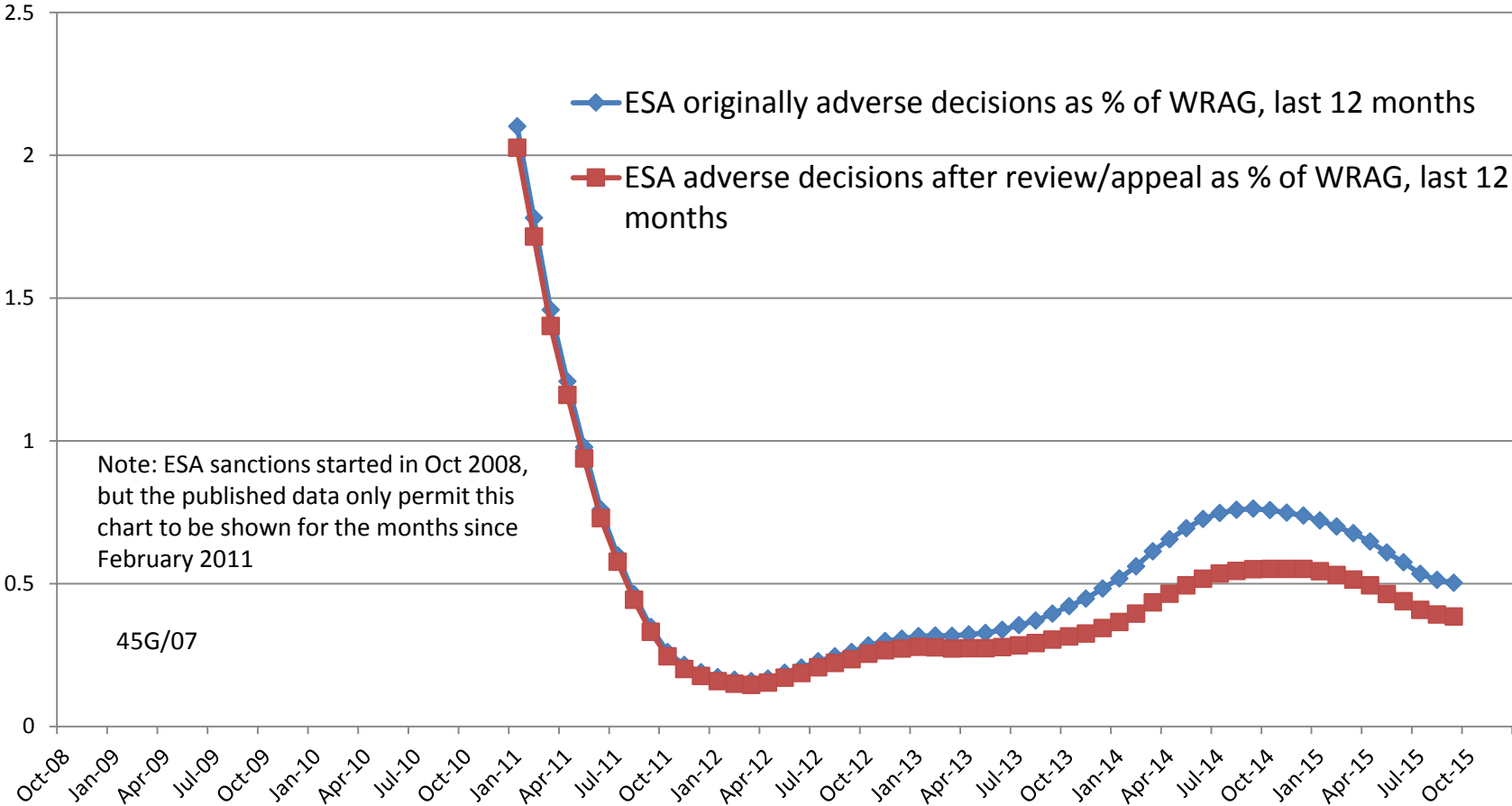


# ESA sanctions

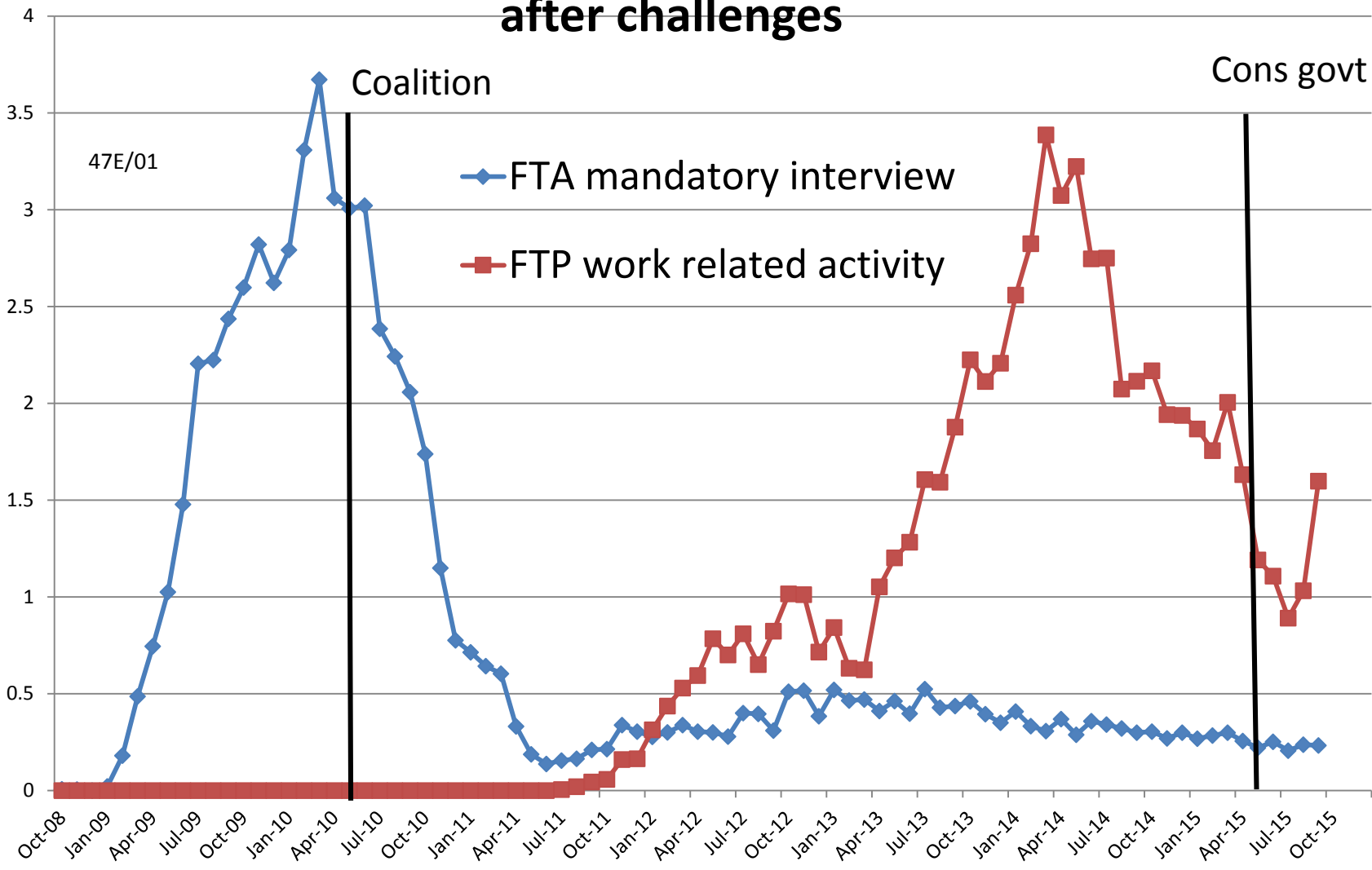
- Escalated ESA (WRAG) sanctions since 2011 – 2.9% of all claimants in 2014/15
- More repeat sanctions than for JSA
- Peak 49,400 2013/14, 29,000 in 2014/15
- ESA sanctions also much harsher from 3 Dec 2012 – now lose all of personal allowance £73.10 p.w. plus fixed penalty 1, 2 or 4 weeks (previously only WRAG component £29.05 p.w., half for first 4 weeks then all)
- 80% of ESA sanctions are now for non-participation in ‘work related activity’



# ESA sanctions per month as % of claimants, before and after challenge, last 12 months



# Reasons for ESA sanctions (thou.), monthly after challenges



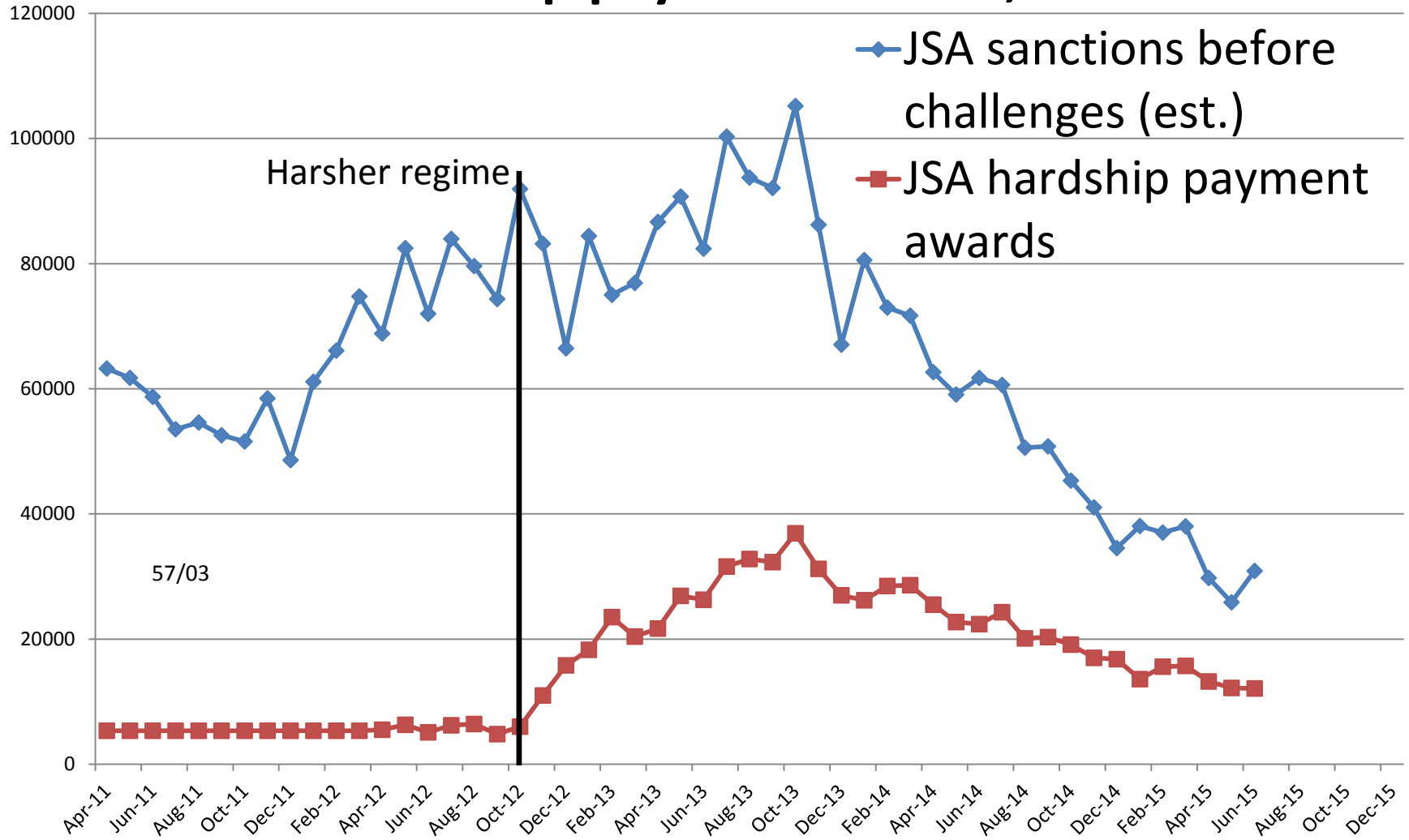
# Appeal system

- Claimant's payments stopped without hearing and before any appeal
- Only one fifth of JSA sanctions challenged, 16% overturned (>70% success rate)
- Half of ESA sanctions are challenged, 26% overturned (50% success rate)
- Mandatory Reconsideration (Oct 2013) has reduced JSA & ESA challenges & all but killed off Tribunals
- MR has reduced proportion of ESA sanctions overturned but left JSA unchanged

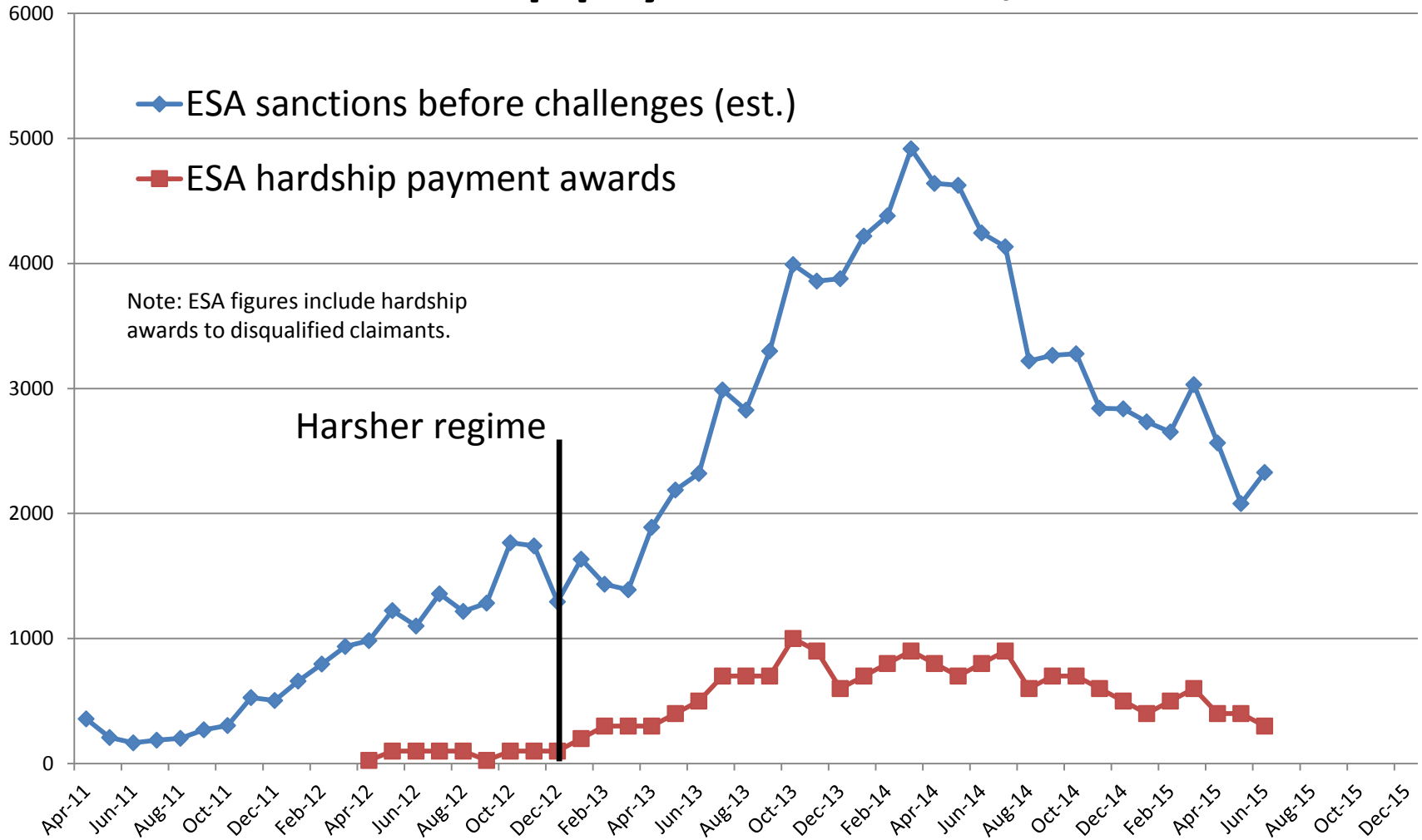
# What happens if you lose benefit? - 'Hardship' payments

- Discretionary with specific harsh test since 1988/1996 (Portillo, Lilley) – designed to clean the claimant & family out of resources, e.g. no payment if cash from a payday lender exceeds 'applicable amount'
- 'Hardship payments' 60% of JSA (rarely, 80%); 60% of ESA
- Prior to Oct 2012, only 1 in 10 of sanctioned JSA claimants got hardship payments – now over 40% (ESA 20%)
- Two-week wait to apply except for arbitrarily defined 'vulnerable' - officially acknowledged to damage health
- Under Universal Credit payments become *repayable*, in effect sanctions 3½ times as long (NB sanctions lengthened anyway by being made consecutive, not concurrent); must demonstrate 'compliance' for 7 days before application; must reapply each 4-week period; 80% rate abolished

# JSA sanctions (before challenges) and hardship payment awards, 2011-15



# ESA sanctions (before challenges) and hardship payment awards, 2011-15



# Impact on particular groups

- All the qualitative research indicates that vulnerable/disadvantaged claimants are more likely to be sanctioned
- But limited quantitative information – last study was Peters & Joyce 2006 which failed to contact one third of its sample

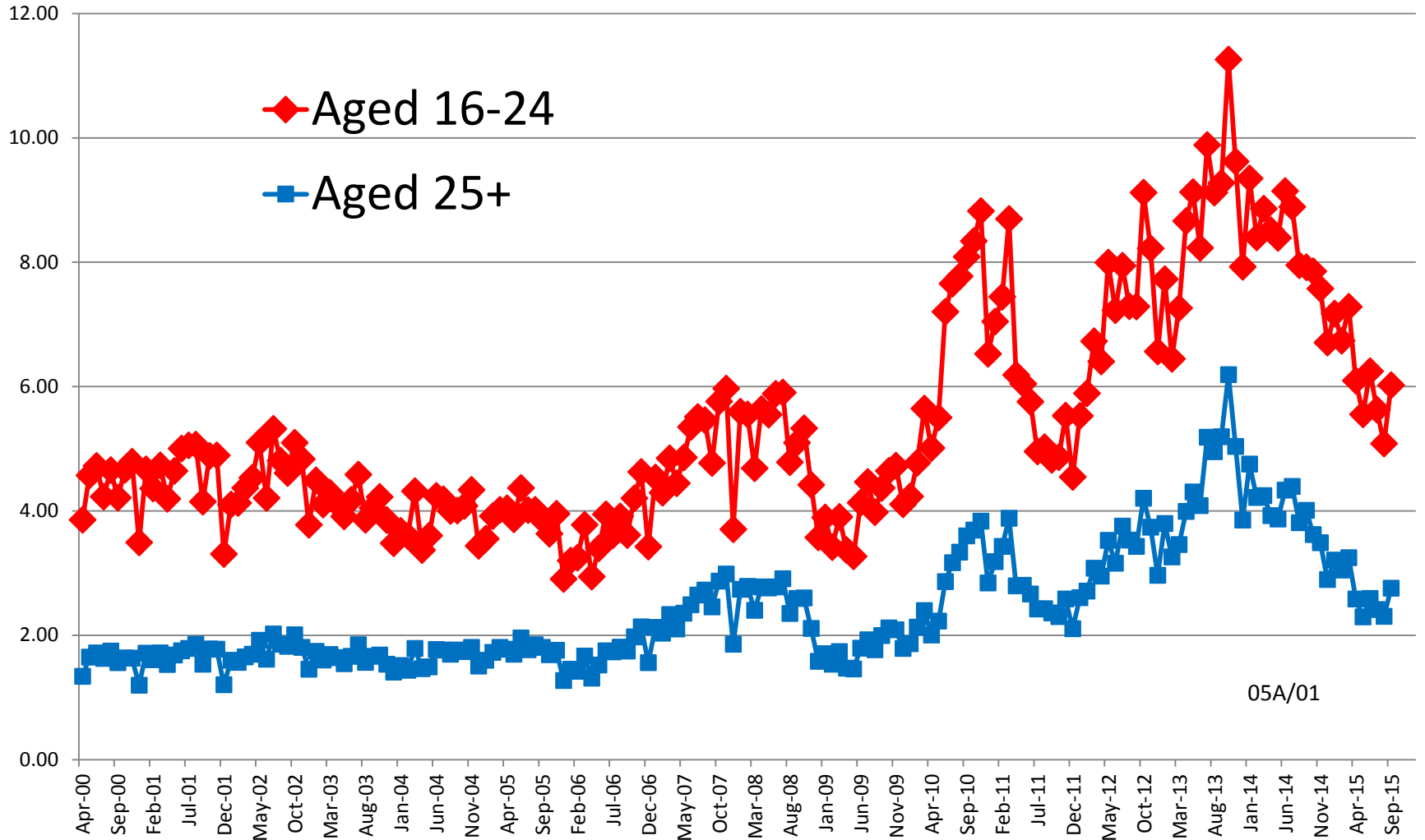
## JSA

- Young people 18-24 twice as likely to be sanctioned
- Homeless twice as likely to be sanctioned (Sheffield Hallam 2015)
- Men sanctioned more than women
- Hutton & Duncan Smith sanctions drives have particularly affected ethnic minorities
- DWP does no disability monitoring but self-described disabled claimants more likely to be sanctioned repeatedly
- One child affected for every 6 JSA sanctions
- Some of the worst affected are older single white men without relatives

## ESA

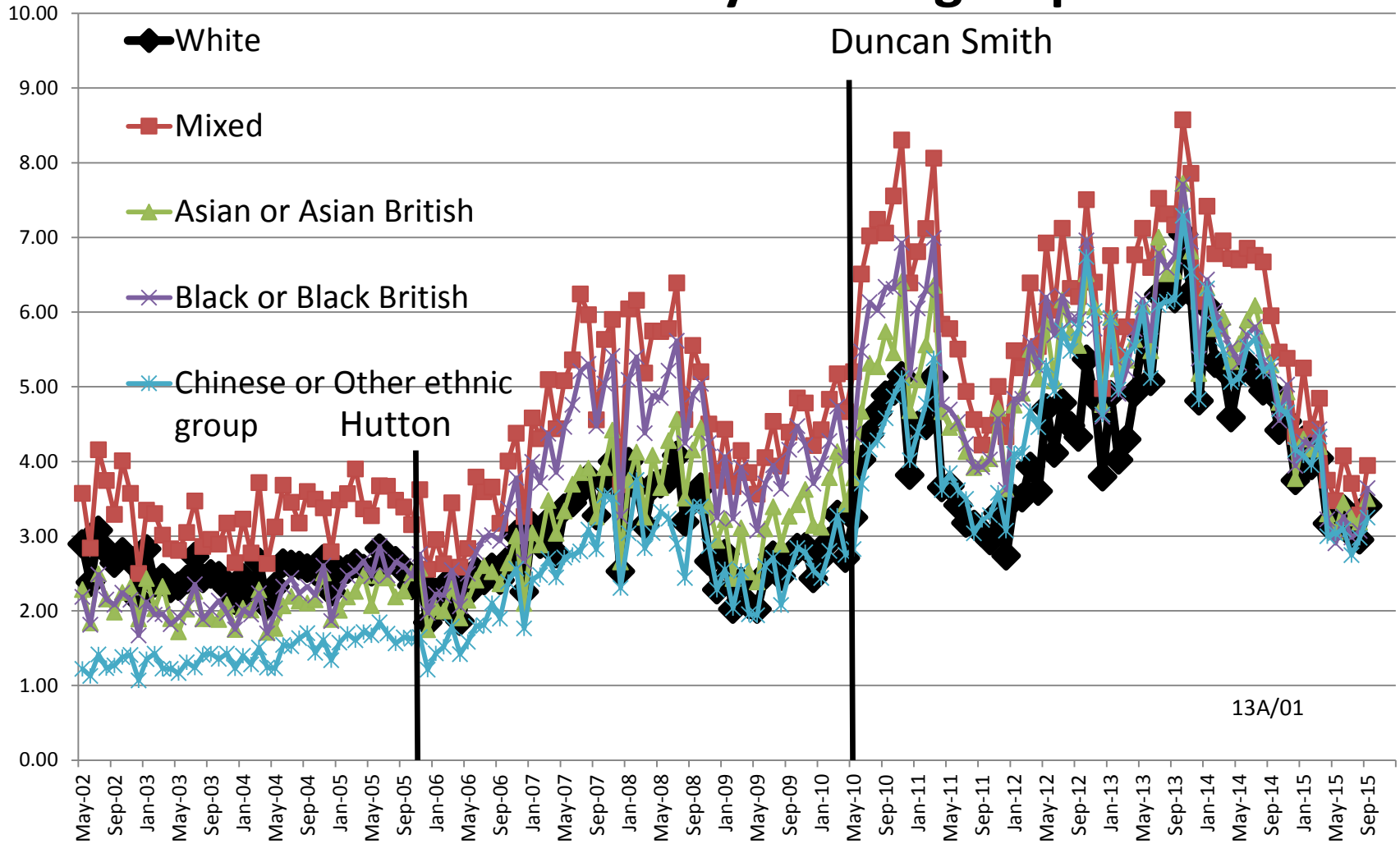
- ESA claimants with mental health conditions more likely to be sanctioned
- Sanctioned ESA claimants more likely than JSA to get repeat sanctions

# Monthly JSA sanctions after challenges as % of claimants: young people and others

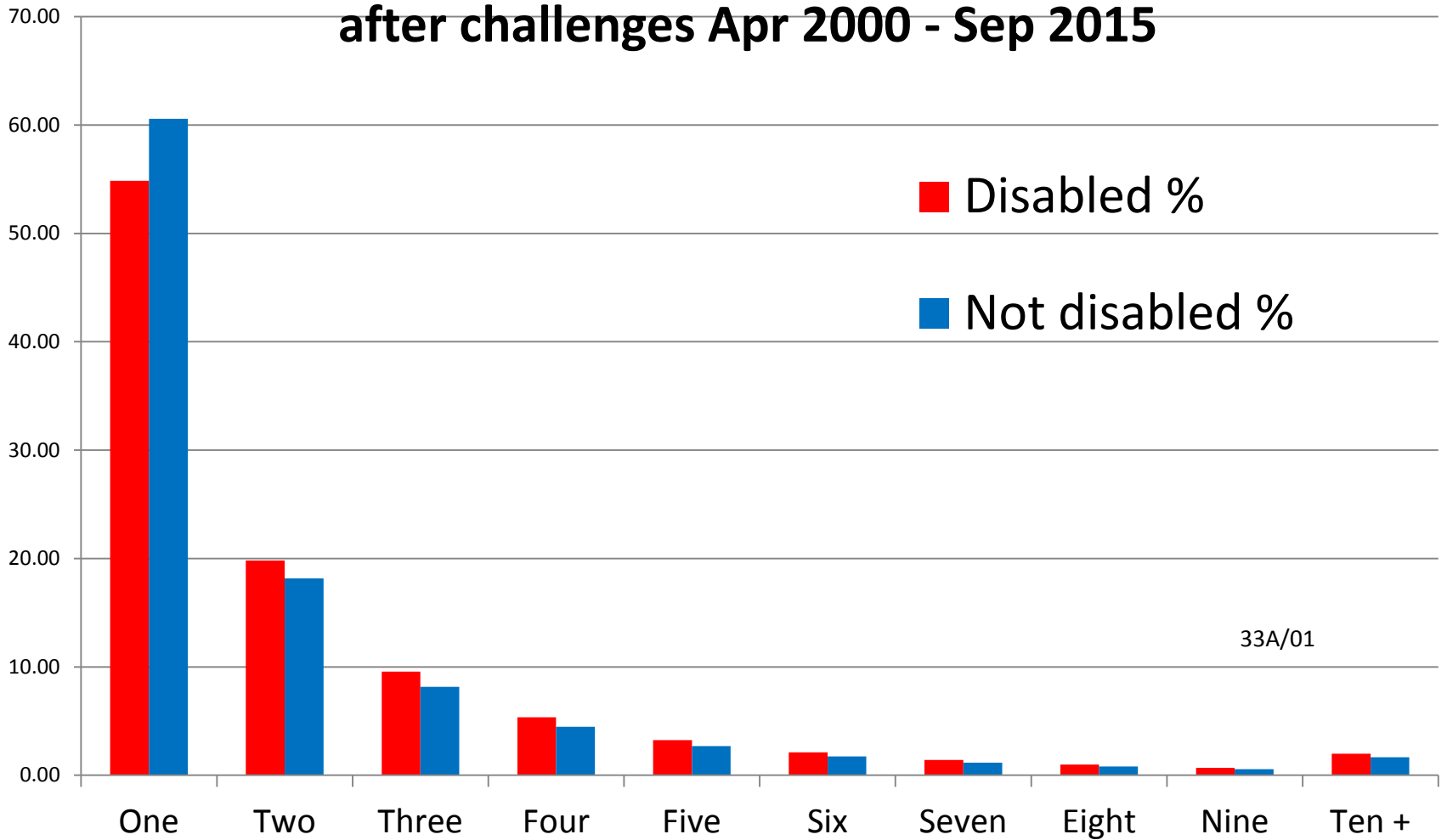




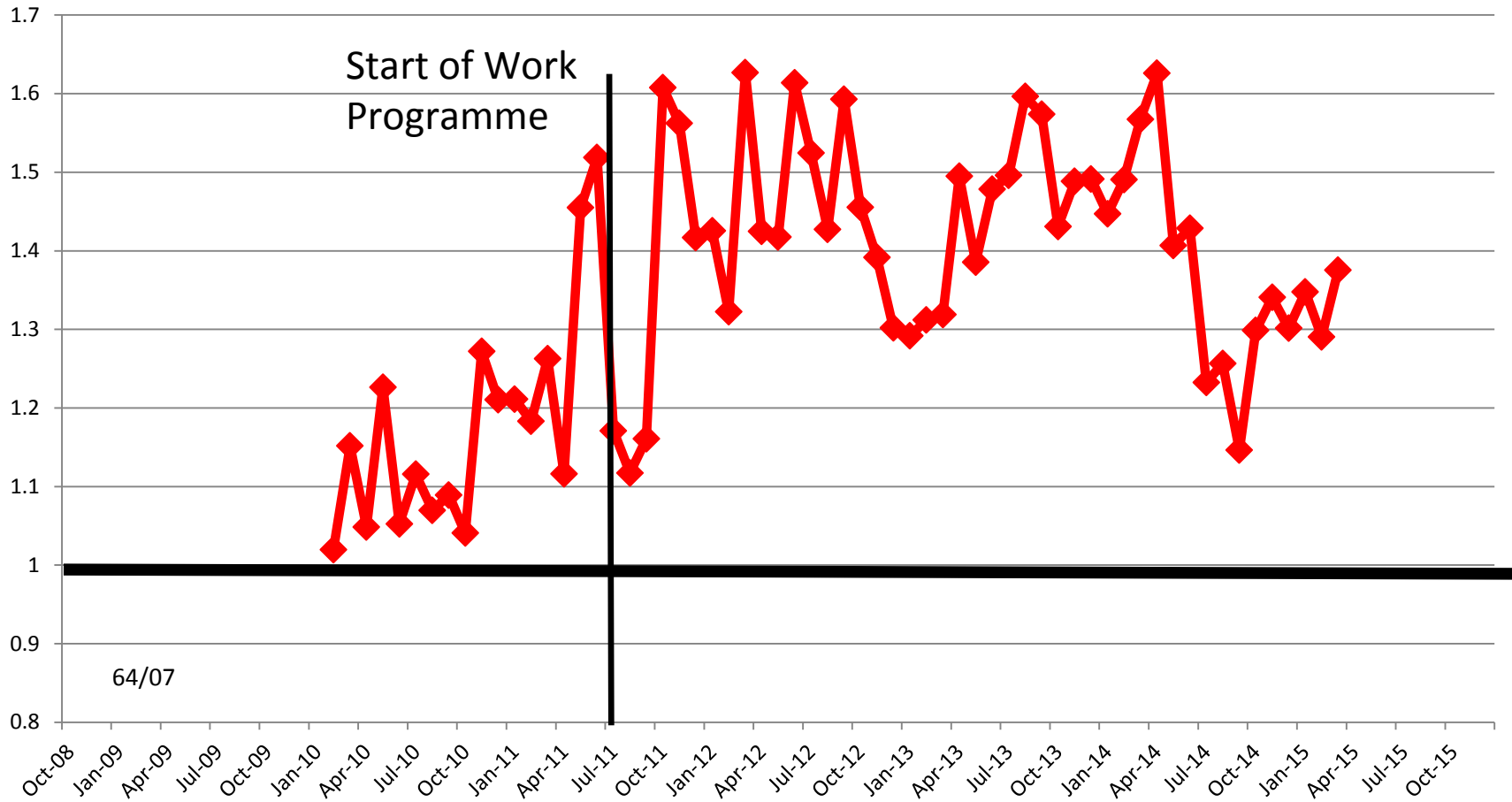
# Monthly JSA sanctions after challenges as % of claimants by ethnic group



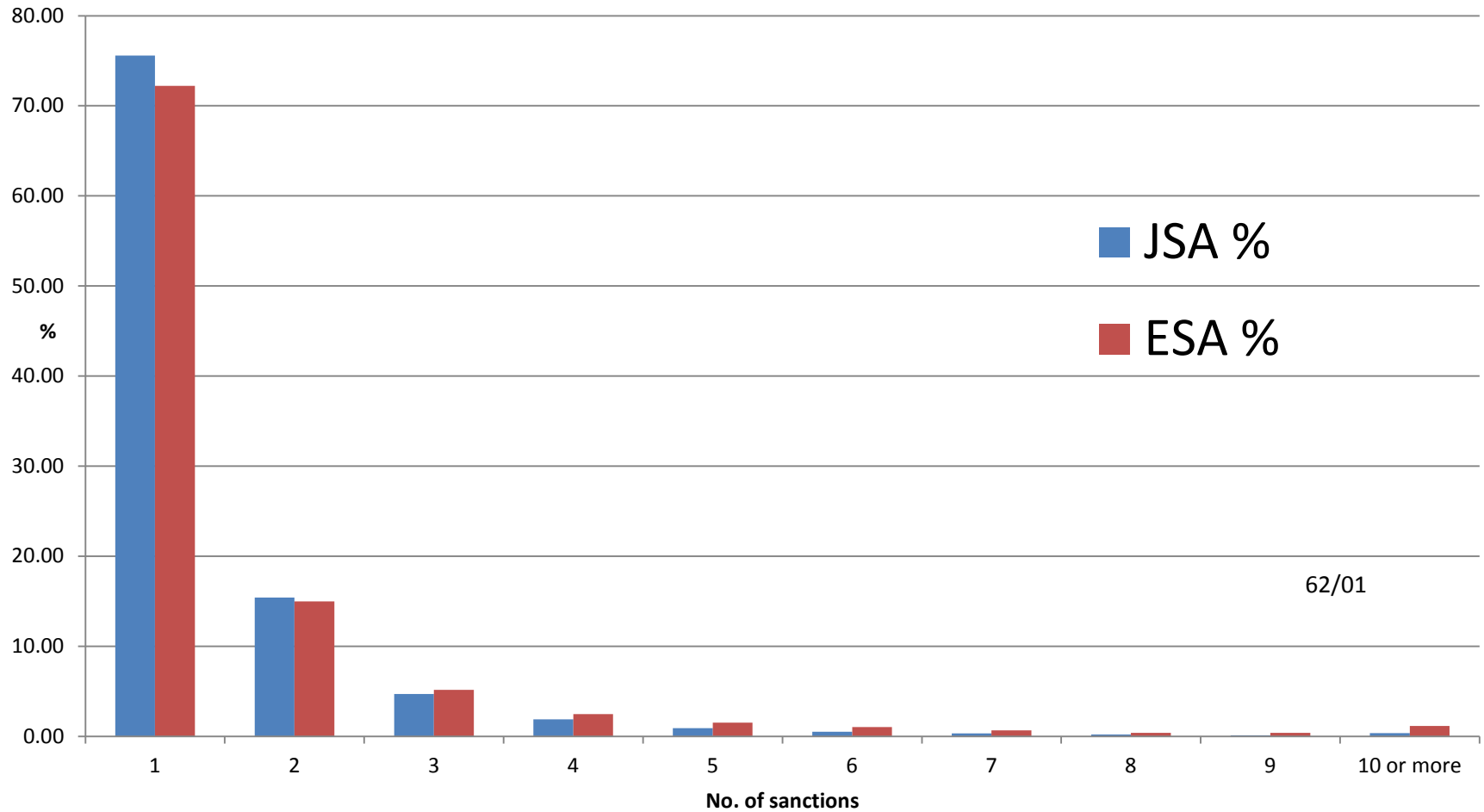
# **% of (self-defined) disabled & non-disabled JSA claimants with each no. of sanctions after challenges Apr 2000 - Sep 2015**



# ESA WRAG claimants: Ratio of monthly rate of sanction of those with mental & behavioural conditions to rate for those with other conditions



# JSA and ESA: Percentage of sanctioned claimants receiving each no. of sanctions 2014/15 (1 July - 30 June)



# **Negative impacts of sanctions**

## **– on the claimant & family**

- Damage to physical & mental health up to and including death
- Hunger & resort to Food Banks (Loopstra et al. 2015)
- Family and friends suffer hardship
- Damage to family relationships
- Debt
- Homelessness
- Increased crime (incl. 'survival theft' )
- Longer term loss of resilience
- All these illustrated in recent Sheffield Hallam & Quarriers reports on sanctions & homelessness

# Negative impacts of sanctions – on the jobfinding process

- Claimants' & employers' time wasted through pointless job applications
- Interference with people's own strategies
- Employment services worse & people alienated
- Claimants fear to complain re bad treatment
- Many people drop out of benefit & employment services altogether (only half of unemployed young people claim JSA)
- Diversion of Jobcentre Plus & contractor resources
- Huge administrative waste (e.g. 'cancelled' referrals, duplication of ASW disentitlement & sanction)
- Diversion of voluntary & other public sector resources

# Do financial sanctions work?

- Overseas academic studies show some evidence of small effects (of different regimes!) on employment
- But DWP does not record destinations of sanctioned claimants who stop claiming (cf. Wk & Pensions Comm recs) – off-flow is sole management target
- No evidence to support longer sanctions
- No evidence to support escalation of repeat sanctions
- No evidence to support financial sanctions as opposed to other means of influence (e.g. simple job search monitoring – McVicar 2010)
- Conversely, much evidence that sanctions make getting a job more difficult for many claimants
- And that sanctions push people into worse, less well paid and less stable jobs (Arni et al. 2012)
- UK's 'jobs miracle' has meant dire productivity and low wage growth

# Five DWP misrepresentations

- *'72% of claimants said awareness of sanctions made them more likely to follow rules'* – same research shows no more likely to get a job
- *'Sanctions are a last resort'* – no they aren't - there are no procedures to make them so
- *'There are no targets for sanctions'* – but there are 'expectations'
- *'Only a tiny minority are sanctioned'* – misuse of post-challenge per month figures, 5% v. 25%
- *'Oakley Review found that benefit sanctions provide a vital backstop'* – no it didn't , this is just the personal view Oakley started with



# More information

- **My Child Poverty Action Group webpage** <http://www.cpag.org.uk/david-webster>
- **My Sanctions project webpage** <http://www.gla.ac.uk/schools/socialpolitical/research/urbanstudies/projects/ukbenefitdisallowances/>
- **Blogs:**
- Socialist Health Association <http://www.sochealth.co.uk/2014/10/09/dwps-benefit-sanctions/>
- ERSA (Employment Related Services Association) <http://ersa.org.uk/media/blog/dr-david-webster-argues-its-time-abolish-benefit-sanctions>
- Centre for Crime and Justice Studies <http://www.crimeandjustice.org.uk/resources/benefit-sanctions-britains-secret-penal-system>
- Poverty Alliance – Challenge Poverty Week <https://challengepoverty.wordpress.com/2015/10/19/poverty-punishment-overkill-the-deliberate-creation-of-destitution-through-benefit-sanctions/>
- LSE British Politics and Policy <https://challengepoverty.wordpress.com/2015/10/19/poverty-punishment-overkill-the-deliberate-creation-of-destitution-through-benefit-sanctions/>
- **Email me** at: [david.webster@glasgow.ac.uk](mailto:david.webster@glasgow.ac.uk) – ask to be put on my mailing list