



Work and Pensions Committee

Oral evidence: Benefit sanctions beyond the Oakley Review, HC 814

Wednesday 7 January 2015

Ordered by the House of Commons to be published on Wednesday 15 January 2015

Written evidence from witnesses:

- [Centre for Economic and Social Inclusion](#)
- [Disability Rights UK](#)
- [Employment Related Services Association](#)
- [Mind](#)
- [Citizens Advice Scotland](#)
- [Welfare Conditionality project](#)
- [Methodist Action North West](#)
- [Trussell Trust](#)
- [Dr David Webster](#)

[Watch the meeting](#)

Members present: Dame Anne Begg (Chair), Debbie Abrahams, Graham Evans, Sheila Gilmore, Glenda Jackson, Paul Maynard, Nigel Mills, Anne Marie Morris, Teresa Pearce, Mr Michael Thornton

Questions 1 -83

Witnesses: **Tony Wilson**, Policy Director, Centre for Economic and Social Inclusion, **Philip J. Connolly**, Policy and Communications Manager, Disability Rights UK, **Kirsty McHugh**, Chief Executive, Employment Related Services Association, **Paul Farmer**, Chief Executive Officer, Mind, and **Matthew Oakley**, recent independent reviewer of JSA sanctions, gave evidence.

Q1 Chair: Can I thank you for coming along this morning? This is the first evidence session of our inquiry into sanctions. We have got a lot to get through before Parliament prorogues for the general election, and this is obviously a wide-ranging and important

inquiry. We have two panels of rather a lot of witnesses this morning, so I hope that you all feel that you have a chance to have your say, but I will be moving things along so we can keep to time, if that is possible. Can I begin by asking, beginning with you, Philip, if you can introduce yourselves for the record?

Philip Connolly: My name is Philip Connolly. I am the Policy and Communications Manager for Disability Rights UK

Paul Farmer: Paul Farmer, Chief Executive of the mental health charity, Mind.

Kirsty McHugh: I am Kirsty McHugh. I am Chief Executive of the Employment Related Services Association, and we are the representative body of the employment support sector.

Matthew Oakley: Matthew Oakley, author of the independent review that provoked or pre-empted this investigation or inquiry.

Tony Wilson: I am Tony Wilson. I am the Director of Policy at the Centre for Economic and Social Inclusion.

Q2 Chair: Thank you very much and you are all very welcome. We have a lot of questions. As you said, Matthew, you did the initial independent review, which was limited in its scope and perhaps did not cover everything that we would like to cover, which is partly the reason for our inquiry. Your review was published four months late. It was published on the day that the House rose for the summer recess. Why was that?

Matthew Oakley: The first thing I would like to say to that is that I really appreciated the work that the Department did with me on the review. I found everyone from Jobcentre Plus advisers to policymakers, all the way through to Ministers, really helpful and supportive of the work I was doing, allowing me to undertake the review in a completely independent and impartial manner. I just want to put that on the record.

In terms of timescales, the review was tasked with reporting back on the period that covered a year following the passing of the Act, which I believe finished on 31 March. Is that right? It was some time around then. There was a certain amount of uncertainty around what that meant in practice, so what we decided, as a team, between me and the team of officials working with me, was that we would use the data that was published, I believe in March, which was covering up to the December period. We waited for that data to come out to make sure that the results were as timely as possible, and covered most of that year-long period. That took a certain amount of redrafting and re-editing of the report to ensure that the results were consistent with what that data said.

The key thing to say is that there was nothing sinister, certainly from my part, which I experienced. Partly a reflection of the timescale was my changing of jobs and the limited time to redraft to make sure that I was happy with what I was saying.

Q3 Chair: You are saying that the delay was from your side, rather than from the Government side.

Matthew Oakley: There were two things. One was that we needed to wait until that data had been published, and that took a certain amount of redrafting. Secondly, I wanted to make sure that the report was completely watertight. As you all are aware and appreciate, it is a very contentious and important area, so I wanted to make sure that the drafting was right. Really, the report sat with me for a little bit whilst I did that.

Q4 Chair: You said that you came to conclusions independently. Were you not constrained by the terms of reference of your report? Would you have liked to have gone further and wider?

Matthew Oakley: Of course I was constrained by the terms of reference. The terms of reference were the terms of reference, and I was working within those. It is important to say that an awful lot of work went into even just looking at and assessing the system under those terms of reference. A broader report would have taken an awful lot longer and taken an awful lot more resource and time.

It is also important to say that communication and understanding are hugely important in the sanctions system. Without that, no system in the world would be fair, efficient or effective. Really, I do think that communication, understanding and the terms of reference, or the remit of the review, were hugely important and should have been set as they were. With that said, and as my review does conclude and talk about, there are of course wider issues that should and could be considered around sanctioning. I would hope that that would be undertaken as a matter of course, by the Department and by you, in your scrutiny role. Of course, I would support any further work in this area, because it is hugely important to get it right.

Q5 Chair: The Government has recently said at different times that it has accepted all your recommendations, will be accepting or has accepted some of your recommendations, and will look at others. What actually is the position with regard to what the Government have already put into place with regard to your recommendations, and what do they still need to do that they said they would do and have not done?

Matthew Oakley: I probably know about as much about this as you do. I am now an outsider and I do not routinely monitor what the Department is doing, certainly in the detail that is needed to assess the full extent of whether they are putting in place these measures. What I have seen on the positive side is that there is now a guide on the gov.uk website, which was created while the review was being undertaken, which explains Jobseeker's Allowance (JSA) sanctions, and the process for appeals for reconsideration and hardship payment. That is a really positive step forward.

The one place I would push there is that, if you go on to the gov.uk website and search for "benefit sanctions", it does not come up in the search page for quite a while. It is prominently displayed in the Jobseeker's Allowance pages, but not if you search on the website. I would push the Department to do more there, perhaps, and also to extend that guide to cover Employment and Support Allowance (ESA) sanctions and other sanctions that are possible.

In terms of the other recommendations, I have seen, and I am sure you have all seen, the update that the Department published in December. That focused a lot on the communications side of things. I am waiting for more, basically. The one thing that I would say, which is really important to consider, is that it would be very hard to pick up progress in a lot of these areas without seeing more evidence and more evaluation. I would be very keen that the Department continues to invest in evaluation and proper data collection, to ensure that they are testing whether claimants are understanding the requirements that are placed on them, whether if they are sanctioned they understand why and, if they are being sanctioned, whether they understand how they can take the next steps in terms of appeal, reconsideration and claiming hardship payments.

Q6 Chair: Your summing-up of the Government's response is that they have accepted some, but there is work to be done on others.

Matthew Oakley: There is of course work to be done. Some of the recommendations clearly could not be implemented immediately. Some will take renegotiation of contracts; I am sure that Kirsty can talk about that. Others will take time in Parliament, either for primary or secondary legislation, and I think it is right that they take time to get those issues right straight away. With that said, there are other issues that could be addressed much more quickly. On the housing benefit issue, I do not know whether that has been addressed or not.

Chair: I will let you finish, but that was going to be our next question. Was there anything else? We will move on to that question, then, from Glenda Jackson.

Q7 Glenda Jackson: Thank you, Chair. It is on the issue of housing benefit or, rather, sanctioned claimants' housing benefit being inappropriately stopped. In response to concerns, the Government have said that they will, where necessary—there is a question there in itself—tell claimants to inform their local authority that they have been sanctioned. Dr David Webster has said that this is “clearly not a reliable solution”. Do you agree with that?

Matthew Oakley: I completely agree with that. What my review and the Government's response outlined was that there should be an intermediate measure, which was ensuring that claimants knew to contact the local authority. In the medium to longer term, that should be a system that is clearly done by the Government. Frankly, the legislation sets out when, where and how people should be sanctioned and, if they are being sanctioned incorrectly or their housing benefit is removed because of that, that is the fault of the Government and they should be taking action to make sure that that does not happen. As I understand it—and I can only comment on what was published shortly before Christmas in the DWP update—that seemed to imply that there was an IT solution that was already in place. I do not know the details of that, but perhaps that would be more appropriate for someone from the local authority to answer.

Q8 Glenda Jackson: On that issue of IT, do you think that would be a solution to the problem?

Matthew Oakley: My understanding of the problem is that it was caused by local authorities not having enough information or misapplying the rules, because the information they were sent through from DWP was unclear. An IT solution could solve that adequately, yes.

Q9 Chair: Was that because what the local authorities were being told was that their entitlement to JSA had stopped and, therefore, the housing benefit was stopped, rather than that it effectively had been suspended because of a sanction? It was just that explanation that was missing.

Matthew Oakley: There was a lack of clarity with that, yes, and a lack of consistency with how that information was applied.

Q10 Glenda Jackson: Could I just ask any of you this? I find very curious the Government's response "where necessary" to tell the claimants. I cannot think of an area where it would not be necessary. Would anybody like to tighten up on that? It is clearly a responsibility, you would say, that DWP should be informing local authorities.

Matthew Oakley: It sounds sensible to me.

Tony Wilson: Yes, I agree.

Q11 Glenda Jackson: Thank you very much. Your review, Mr Oakley, recommended that the Government pilot pre-sanction written warnings and non-financial sanctions, both of which the Government say they accept "in principle". I think this is to everybody, and not just to you, Mr Oakley: do you support the introduction of pre-sanction written warnings?

Matthew Oakley: Can I kick off? The review recommended that this pilot is for a relatively limited amount of people, for those people who are moving on to the Work Programme who had spent up to a year on Jobcentre Plus, but who had not been sanctioned in that time. They had clearly been complying with the rules and regulations, and understanding what they needed to do. If then they are sanctioned as soon as they hit the Work Programme that does, to me, certainly indicate that perhaps there is a lack of understanding about what the requirements are. That should flag and signal a lack of understanding, rather than a deliberate act of non-compliance with the regulations that have been set. That was really where I was looking to focus attention.

The idea is not a new one. It was mentioned in the Freud review in 2007. It was mentioned in the Paul Gregg review in 2008 as well. Really, it is just thinking about how we can improve understanding and make sure that, when the Government are sanctioning people, it is because they have wilfully not complied with the regulations, rather than just simply misunderstood what is going on.

Q12 Glenda Jackson: The Government has said that pre-written explanations before sanctions would require legislative change. Do you agree with that? I find it curious as an MP to be asking you that question.

Matthew Oakley: Yes, I would imagine that is almost certainly true. I would not see that as being a significant barrier to change, given the level of pilots, tests and small changes to legislation which are coming through the House, and also through secondary legislation, quite regularly. I certainly would not see that being an insurmountable barrier to change.

Q13 Glenda Jackson: That would be across the board, would it? Obviously there are certain categories of claimants who will need specific explanations of what the sanctions are about, either because of mental health difficulties or learning difficulties. Across the board, is this going to cover those specific kinds of most vulnerable cases, do you think?

Matthew Oakley: I would say that I think it should be piloted first and then, learning from that, it should be rolled out as and when appropriate. I would not want to see this rolled out across the system without proper testing and proper evaluation to see what the impacts would be.

Q14 Glenda Jackson: Would you argue for the proper testing and proper evaluation to begin with the most vulnerable claimants, for example the two categories that I have just mentioned?

Matthew Oakley: I do not see why that would not be the case, given that potentially the riskiest people are involved.

Tony Wilson: Just a brief point: to some extent, I think this is happening already. There are some examples that we have heard of in local authorities of people with chaotic lives—people who are vulnerably housed or rough sleepers, for example—where Jobcentre Plus advisers are contacting the local authority case worker when somebody fails to attend an interview or a meeting to try to resolve issues before a sanction has to be applied. That in itself is a form of early warning, early engagement or effective and intelligent use of the system. I do not think it follows that primary legislation would be needed just to be more sensible and intelligent in how we apply the existing rules.

Having said that, I think it would be better if it were enshrined in primary legislation. There are three or four of Matthew's recommendations that would require primary legislation. This inquiry is a very good opportunity to make the case for a new Act or amendments to the existing Act in the next Parliament, which could address some of these issues without turning this into a free-for-all, entirely discretionary system, but it could be one that has better intelligent use of early warnings, earlier engagement and joint working.

Paul Farmer: Just to follow up on the point really, we would certainly support, for those people who experience particularly serious mental health problems, a cushion, if you like, or a place where people can have the situation very clearly explained to them, so that they can fully understand the situation in which they find themselves. One of the great challenges of the system as it currently is at the moment, particularly as it applies to those people who are on ESA—and obviously this is beyond the original scope of Matthew's report—I think the overall levels of communication and understanding undermine the

broader issue of the application of the system. We would support the kind of common-sense approach that says that you need to have good-quality communication among the people who are working with those individuals, but we would also support the enshrining of that in legislation, so that you can have a much more systematic approach and people feel reassured that there is a process that applies to them before a sanction is applied.

Q15 Sheila Gilmore: I take the point that there may be a need for legislative change, primary or secondary, given the terms of the 2012 Act and the clauses in that relating to this matter. It sounds almost as though there is a sort of chicken-and-egg situation. You have built legislation and all the changes need to be worked out well, and the best way of doing that is to do pilots. However, there seems to be some hesitation that you cannot even do a pilot unless you change the legislation. Surely it is open to Government to pilot something with a view to getting better legislation. I do not really understand the reservation here.

Matthew Oakley: I completely agree. I would imagine it would, for instance, be relatively easy to pilot this through Universal Credit, where there is a great deal of flexibility within the legislation. It could potentially, I would imagine, go through secondary rather than primary, but I am not the expert. I would imagine that would be the case, and we can move quickly.

Q16 Chair: Presumably if there were these pre-sanction written warnings, it would take away an awful lot of the uncertainty, anxiety and confusion that claimants are feeling at the moment, which is what we have in a lot of the personal testimony that we have. They just do not know why they are being sanctioned and they do not understand it. They can have something that is written and they can refer to, and that they can take to someone else who can interpret it for them.

Matthew Oakley: I do agree with that. Where I would pause slightly, as the review highlighted, is that the vast majority of people who are claiming Jobseeker's Allowance in particular are not sanctioned. I do not think any of us would want to put in place a system that undermines the conditions that people are already complying with and already undertaking, with full knowledge of what they are expected to do, to try to tackle a problem elsewhere.

What I would really suggest is that this is targeted on people where we can identify clearly that they have been complying with the rules, as demonstrated by being on Jobseeker's Allowance and not being sanctioned, and then there is a change in behaviour that means that they are sanctioned out of the blue, when there has been a change. That clearly then identifies a group of people who might be struggling with understanding. The review did speak to people who just said, "Actually, I felt like staying in bed today." We would not want to say to them, "Actually, you are free to do that once, because we will give you a written warning." We need to make sure that the system is maintained as a strong and effective conditionality regime.

Q17 Paul Maynard: I have read your report, Mr Oakley, about 10 times now. I am still struggling with one particular paragraph and what it is trying to tell me. There is a part

where you refer to the fact that a group of Jobseeker's Allowance applicants, about 28%, have been sanctioned but, when you consulted DWP's figures, only 11% had been sanctioned. I have been trying to get my head around what that is trying to tell me and what point you were seeking to make by including that information. What lay behind that particular figure? What factors are coming into play?

Matthew Oakley: If I remember correctly that is referring to a DWP piece of research a few years back. What I was really just trying to say is that there is an overall level of confusion around the sanctions system. Some people, when asked about their benefit experiences, say they have been sanctioned, when in fact they have not been sanctioned; they have just had a benefit level change because of a change of circumstance, or because they have entered work, even. They might be earning a certain amount of money and that means that their benefit award has been reduced, and they regard that as a sanction.

Similarly, other people who have been sanctioned do not say that they have been sanctioned. It is the other way around. It is really just to say that the whole system is quite misunderstood by claimants. From the review and the people we spoke to, even the word "sanction" can be quite confusing to claimants, for whom it is not necessarily something that they understand on a day-to-day basis, what that actually means.

Q18 Paul Maynard: Would it be fair therefore to say that perhaps the word "sanctions" has grown, in terms of its meaning to the welfare community, as it were—academics and beyond—to be greater than its actual application within the system? For example, I have met people who have had a benefit suspension, which is arguably more draconian than a sanction, yet they say that they have been sanctioned. Is there a need to focus down the debate on what a sanction actually is, rather than use it as a catch-all term for many of the other problems in the system, including the actual Work Capability Assessment itself?

Matthew Oakley: I would agree with that. It is incumbent on all of us to make sure that we are using language effectively, but also on DWP to make sure it is communicating effectively with claimants who could be at risk of either sanction, disallowance or suspension, and understanding what those circumstances are and how they can avoid them.

Q19 Paul Maynard: I just have one final quick one. A lot of your report is about communication and the clarity of communication. You referred to the Litchfield reviews and phrases like "organisational justice", and the fact that people have to be seen to be treated fairly within the system. A lot of what Dr Litchfield's most recent review was focusing on was communicating adverse decisions. Do you think there is greater scope for the Department to learn from what Dr Litchfield is saying about Work Capability Assessment decisions, and to apply that to where sanctions are occurring—for example the focus that goes on communicating the adverse decision verbally, rather than in writing, soliciting good reason verbally, before communicating an adverse decision? Do you think that there is sufficient alignment between sanctions and how the Department is viewing adverse decisions from the likes of the Work Capability Assessment? Do you think sanctions are almost the poor relation in terms of communicating bad news to welfare recipients?

Matthew Oakley: As with the Work Capability Assessment conversations, it is obviously a very difficult conversation to be having, often in person, saying to someone, “You are going to be sanctioned”. I know from advisers we spoke to that there were mixed views about how well that would go down in a Jobcentre, for instance, and certainly worries about abuse and/or physical violence in Jobcentres. That said, the review did recommend that the Department should ordinarily be recording claimants’ preferred route of communication. It is a recommendation that the Social Security Advisory Committee also made recently. The Department should be using that preferred route of communication to let people know that they are at risk of a sanction and that they have been sanctioned, if and when that happens. That could be through text message, letter, phone, email or in person, depending on what the claimant decides. That for me is the key; it is about personalisation and making sure that we have a system that meets the needs of claimants, in terms of their communication and their preferences.

Q20 Glenda Jackson: Oddly enough, my question was about what you have just said—the personalisation of this information. Again, this is anecdotal; it is exclusively from my own constituency, in the main. People see different decision makers. They endlessly have to go through this process of explaining things over and over again, because the individual is not their individual, if you see what I mean, as far as the decision makers are concerned. I cannot see any way around that. I cannot see that the Government are suddenly going to flood in additional people or earmark that. Is there any way that there can be some system put in place whereby the individual decision maker has all the facts, even though they may be seeing that claimant for the first time? I see lots of nodding heads. Jump in if you have some response to that.

Kirsty McHugh: The sharing of information between different parts of the system is really important and does not work anywhere near well enough. We have got the situation with the WCA still not being shared with the outsourced providers. For instance, somebody is in the WRAG group; they have been referred to the Work Programme; there has not been sufficient explanation of what the Work Programme is going to entail for them, and the Work Programme provider does not have the WCA; and then that individual does not engage, for whatever reason it might be. It might be that, actually, they have been put into the WRAG group incorrectly. It might be there has been a deterioration of their condition, or maybe they simply do not understand. They then have no engagement with the front-line adviser; they are not playing ball. What do they do? Because the information is not shared, it means it is far more likely to potentially end up with raising a sanction doubt. That is not in anybody’s interest at all; it cannot be the right way. If we were able to share information more successfully across different parts of the system, we would avoid some of that.

Philip Connolly: We have members in welfare rights organisations reporting this problem to us, and they have said that the information within DWP is spread over a number of computer systems. They mention JSAPS, MSRS and LMS. LMS is the only one I am actually familiar with myself; I think that is the local management system. With Universal Credit too, we are obviously going to get a new computer system. What data is going to be transferred we do not know, so there is a real issue here about the data that people source from to make internal decisions. It is spread over many systems.

Q21 Debbie Abrahams: My question is to Mr Oakley. You said in your earlier remarks to the Chair that you thought as a matter of course DWP would undertake further investigation. I appreciate it was not within the scope of your original inquiry, but I wonder if you have a personal view on the appropriateness of some of the sanctioning that is being undertaken.

Matthew Oakley: It is a difficult question. In terms of keeping it under review, that is the same across all Government Departments. Every policy should be kept under review and should be reviewed in terms of the effect it is having. The one thing, drawing on evidence that came in from the review, that a number of people commented on was the extent of changes in the sanction system in the last two Parliaments. Certainly since the Paul Gregg review in 2008, there has been quite a sizeable escalation in the severity of the level of sanctions and, to my knowledge, there has not been a full investigation or a full evaluation of the impacts that has had. That is what I would be suggesting we go for—a stock-take of where we have got to, the effect it is having and the impacts it is having on movements into work, agreement with the system, whether people support the system, and fairness and impacts more broadly.

Q22 Debbie Abrahams: Thank you for that. Are you surprised that the Department has resisted this, and that Ministers have resisted it more broadly? We have undertaken to do this inquiry, which will also be fairly narrow because of the time availability and so on, but the Department and Ministers have resisted doing a wider investigation into the effect of sanctions on all claimants.

Matthew Oakley: I am not aware of those discussions particularly but, certainly from experience in DWP, I am sure there are evaluations ongoing.

Q23 Debbie Abrahams: My final point is again about your own view. It was not within the scope of your inquiry but what do you think about the efficacy of sanctions in their key task, which is to get people back into work? How effective do you think they are at getting people back into work?

Matthew Oakley: My knowledge of the academic literature suggests that the conditionality system as a whole is a key element of ensuring that people are doing as much as they can to take up the support that is available from the state, and that has been shown across international experience. There are issues, as I just said, about the changes that have happened in the last 10 years and whether they are continuing to be the case, but certainly at a principle level, the existence of a conditionality regime that is backed up by sanctions—there are very few people who would argue that that should not be in place in a fair and effective welfare system.

Q24 Debbie Abrahams: Can you say that there is a causal relationship between sanctions and getting people into work?

Matthew Oakley: I believe that is what the academic literature says, yes. Just a quick prod at DWP: if we had more information about movements into work rather than going off benefit, it would be much easier to evaluate.

Tony Wilson: On that final point, the key point is that link between sanctions and movements into employment. I very much agree with Matt—and I think there is a lot of evidence—that looking at the benefit conditions, employment support, the threat of and the inevitable existence of sanctions, as a consequence for not engaging in support and not meeting the conditions, as a system, is more effective than the alternatives. This has been shown internationally. We talked about some of the evidence in our submission—very good, robust, meta-evaluations, evaluations of evaluations, big studies internationally—which concluded that that is one of the most effective models.

It is also quite clear from what successive governments have done, the New Deal probably being the best example of a series of increasing support, increasing requirements, and a threat of sanction. That includes employment impacts as well as benefit impacts. However, is there evidence that sanctions of themselves, being sanctions, lead to a movement into work? The evidence is far from clear. There is some evidence that it may increase the likelihood of entering employment, but it often appears to be poorer-quality employment, temporary employment or unstable employment. There are very clear offsetting negative impacts, which are likely to outweigh any small, marginal positive impacts. Those positive impacts are not felt by all groups so, actually, there is no evidence that sanctions themselves should be an objective if you are trying to increase employment.

I would argue that sanctions themselves are a failure. Something has gone wrong when a sanction is applied. Either the individual has not met their responsibilities, the state or the institutions have not successfully communicated those or enabled those to happen, or the system has not worked, if you like. An ideal system would have very few sanctions being applied, rather than very many, but it would have very strong compliance with the system, engagement with the right conditions and the right support. I do feel that we end up looking at this the wrong way around. A rising trend of sanctions does not mean a better system. Actually, if I were in the Government's shoes, I would be very deeply concerned about this and wanting to understand how we can get those sanction numbers back down.

Also on the point about evidence, the severity point that Matthew makes is really key. There is an evidence-free zone about whether increasing the severity of sanctions, of itself, has any positive or negative impact. We just do not know; it has never been tested. Whether we have an independent review or not, it is quite striking that the Government have not commissioned an evaluation of this. This is one of the most important reforms that the Government have introduced in this space in the last five years. They are evaluating Universal Credit. They have evaluated the Work Programme. They have evaluated local housing allowance reforms. They have evaluated the social sector size criteria. They have evaluated really everything as they should, the benefit cap as they should. They have not evaluated sanctions. Regardless of whether you have the review or not, let us evaluate it. Let us do the research and understand what impact it is having.

Debbie Abrahams: I would agree with you. Just for the record though, there is emerging evidence of a direct correlation between sanctions and the impact of claimants leaving JSA, not for the purpose of work. That is a really worrying trend. What happens to them?

Tony Wilson: That would be consistent with the evidence, again. I will talk some more about some of the qualitative research we have done in local areas, which has shown up quite different impacts for different groups as well.

Kirsty McHugh: Very briefly from the provider point of view, I am in absolute agreement with Matt and Tony. We think the evidence base needs to be increased. Generally, the providers believe that there is a role for sanctions to be part of the toolbox, but they should be a last resort really, when things have gone very badly wrong. Nobody wants to put people into that situation. There is something that needs to be looked at around the impact on the more vulnerable jobseekers, which you have identified as a Committee, but also there are people out there who have been repeatedly sanctioned, and this does not seem to be having any impact. What is happening there? Is it because they are living very chaotic lives and they are vulnerable? Are they working? There could be a whole host of different things and, actually, that needs to be looked at as well.

Q25 Graham Evans: Just on that point, the evidence of the people that you represent, and also Tony, is that when sanctions were threatened or imposed, these people disappeared because they were working in the black economy and were also claiming benefit. Once the sanctions were put in place, they disappeared off the register, not necessarily into paid employment, as we would all wish them to do, but disappeared wherever they came from. A lot of people did come off the register in my constituency because of that. Is that typical in your example of your members?

Kirsty McHugh: I do not think there is a sufficient evidence base, if I am honest. One of my members, out of their own pocket, commissioned an external agency to go and knock on doors of the X number of people who had been referred to them who had not been participating at all. This was a Work Programme provider. There is a proportion who just do not participate. Regardless of the methods of communication, there had not been any ability to get them into the office or whatever else was going on. Of course, this is the sort of person who is likely to be referred for a sanction doubt.

They employed a company. It was young women who went along and knocked on the door to find out what was going on. There were about 200 houses, from memory. Some of them probably were working. A lot of them though, more of them, were wrong addresses. It was wrong information. They went along, thought there would be people there, and they just were not there at all. There was some element of ill health, but the biggest issue was about information flows not being correct.

Q26 Paul Maynard: Specifically on your project that you referred to in your evidence, it states that there were some people who were found to be already working. It does not give any figures at all. Clearly 200 is quite a small sample size. I have heard an ample amount of anecdotal evidence that there is an element of those who are being sanctioned who are working in the black economy and come off benefit because they cannot combine working in the black economy with the new conditionality of the Claimant Commitment. Are you or Mr Wilson aware of any more detailed research on an interaction between the black economy and the sanctions regime, or whether any research is being planned? It is a tempting

avenue to go down for a politician to say, “They are all working in the black economy”, but there does need to be some evidence base to assess the size of that, if there is any at all.

Tony Wilson: No is the answer. No, I am not aware of that research or of any research having been commissioned or been done but, by its nature, it would be very hard. If you go back about a decade to the last research looking at the impacts of sanctions, from memory, about a third of the people who they tried to contact who had been sanctioned they simply could not reach. Of the two thirds they did reach, very few if any—I suspect actually not any of them—would have been in the black economy. They would be in that minority, so I do not think it is typical, necessarily, that these would be the characteristics of people being sanctioned.

Similarly, we pick that up anecdotally, not usually—in fact never, to my knowledge—by interviewing somebody who has worked in the black economy and been sanctioned. We usually pick this up through engagement with Jobcentre Plus staff, local authority staff and so on. I think it is an area that is really worth looking at and trying to do proper research on. It would be very hard to do that research and find those people.

Q27 Paul Maynard: Could I have one more quick question to Kirsty? We had evidence from the Caritas Social Action Network, CSAN, about examples in Liverpool of a charity, Nugent Care, where people who had been referred to the Work Programme and were contesting that decision to place them in the WRAG were not going on to JSA, as was being recommended, but rather were making applications to the Liverpool crisis fund, because they felt they could not meet the conditionality requirements of going on to JSA. That is clearly one example in Liverpool. Is that something you are familiar with elsewhere in the country—that those who are contesting their Work Capability Assessment outcome are not going on to JSA and are therefore not getting the same amount of money they could do because of that conditionality aspect?

Kirsty McHugh: That is happening. We gave in our evidence the feedback we had from members about why there has been an increase in ESA sanctions. One of the big issues that is coming through is of people who have been put into the WRAG and are contesting that decision, or they could have been put into fit for work; they could have been put on to JSA, and again they are contesting that decision. That leads to a set of behaviours that does not mean that they are getting the support that they need.

Q28 Paul Maynard: If they are rejecting their placement in the WRAG group, therefore, they are less likely to want to engage anyway in the conditionality aspects of that.

Kirsty McHugh: Yes.

Q29 Paul Maynard: Therefore, in a sense, the problem is not so much the sanctions regime; it is the inadequacy, once again, of the Work Capability Assessment to correctly assign these individuals.

Kirsty McHugh: When you are talking about people who are on or have been on ESA, it is very difficult to look at sanctions without looking at the WCA.

Chair: We have some questions coming up on that particularly but, Philip, you were trying to get in.

Philip Connolly: I wanted to mention two things, first of all in response to what Debbie said. There is evidence I have become aware of from hosting a seminar just before Christmas with economists. The evidence that was presented at this seminar, which I think members are aware of, from David Stuckler, is that people are coming off benefits but not actually going into work. There is a lot of uncertainty as to what actually is happening to those people.

Q30 Chair: One of our recommendations in more than one report is that the off-flow measure does not give good evidence, so we are well aware of that.

Philip Connolly: I think it is worth also exploring not whether these people are working in the black economy, but whether they are being financially supported by other people. We should not be moving to an automatic assumption that somehow these people are in work.

Q31 Graham Evans: On Kirsty's point about the 200 people for whom this thing was done, what we are talking about is potentially fraud and error.

Kirsty McHugh: The majority was error.

Graham Evans: Fine; I said fraud and error. The point is that if you go to a bank, for example, you have to provide your address and so on to open an account. To get your benefits, there is an awful lot of work so that, if you are a recipient of benefits, you need to prove what your name and address are, and so on and so forth. A lot of people are getting paid benefits but clearly, based on what you have said and our own anecdotal evidence, their actual address is false or wrong.

Kirsty McHugh: Or wrong. It could just be a legitimate mistake within the system.

Chair: I am going to move on in a second. Paul, I think you were trying to say something, and then Anne Marie is going to come in, and then we are going to move on to ESA.

Paul Farmer: Just very briefly to reiterate a point made earlier, we absolutely see conditionality and sanctions as a last resort, and that particularly applies to people with mental health problems. Let me add into the conversation that there is some really interesting and helpful guidance around the use and application of what is called a core visit. We are not aware of core visits being applied at all in trying to understand what might be happening to individuals who are potentially at risk of a sanction. We might want to ask DWP how that guidance is being used, because we are certainly not aware of that being used.

Chair: That is fine. That was going to be one of our questions.

Q32 Anne Marie Morris: This leads into the questions about vulnerable groups, which I know Sheila is going to be asking. With regard to communication, Matthew has

already talked about two types. You have the stuff you have to pull from the web and, although there have been some reviews, the inadequacy of what is there in how you search. The other part of it is clearly the individual communication with the individual claimant. While you have said we should move to something that includes a personalised option—text messaging, emails, etc.—I have a particular question for Mr Connolly and Mr Farmer. Where you have individuals with mental health or other disability problems, is this something the Government could do in the short term? Personalisation will take time, whereby an adviser actually knows people who have these problems and can make the communication work better. Are there particular concerns you have about the plethora of communication options available? They do not quite include things that are going to work for your particular groups.

Philip Connolly: Perhaps I could say something first. I have been dealing with this issue for eight years, in a way. DWP have a system of mass communication to a mass audience, and it is not really in a position to make exceptions. However, there are legal obligations on DWP to make those exceptions and to communicate with people in accessible formats, for example people who are blind or partially sighted. This does not happen as a standard practice. There ought to be a provision so that, on the data systems, when they first interview claimants, they can capture what their access requirements are and any other issues that are going to interfere with their ability to communicate with this person.

This particularly applies to people with learning disabilities, but also to people with mental health conditions, who may find it very difficult to engage with brown envelopes with windows in them. I have said repeatedly to DWP that if people are not responding to communication, maybe we need to find another way of communicating with them or with somebody that they are happy to receive the communication on their behalf. I think there is a massive issue about how DWP communicates generally, and it is failing even to meet its own legal obligations.

Paul Farmer: There are clearly two dimensions to this, are there not? There is the way in which written communication is delivered and choices of access to receive that written communication. I am not sure I would want to receive a text message. People with mental health problems tell us they would not want to receive a text message telling them that they have been sanctioned. That does not feel terribly appropriate, but there is also the interaction between individual advisers across the system and people on a human level. In both cases, people with mental health problems tell us that the level of expertise, knowledge and understanding is not sufficient to get those messages right. Of course, we appreciate the complexity and difficulty of delivering a high-volume set of communications, but Mr Connolly is absolutely right that, for many people, the fear of what lies behind that envelope is extremely stressful, anxiety-inducing and has to be handled incredibly sensitively and carefully. Too often, people tell us it does not feel like that for them.

Q33 Sheila Gilmore: This question is to Kirsty first. The ERSA evidence was suggesting that sanctions that would be most appropriate for non-engagement—the words were “motivational or behavioural”. Could you explain that a bit further? To what proportion of claimants do you think that applies?

Kirsty McHugh: Gosh, I would not want to put a percentage on it. You are more likely to get somebody into work if you have got a good relationship between the adviser and the

jobseeker, fundamentally. What all my members will tell me is that, once you have somebody saying, "I can work and I want to work", then it is almost job done, because it is about getting somebody's mindset into the right place. Often, if people have been on incapacity benefit or ESA for an extended period, they have been told, "You're too ill to work. Work isn't for you." Therefore, it can take quite a long time to challenge that in a supportive way to get people to say, "Okay, this is how we're going to do it."

Is a sanction going to help people along this route? Probably not, in the majority of cases. However, if there are individuals who really do not want to engage at all, and they have been referred to the Work Programme or indeed another programme, what do you do? They are not engaging. Do you just leave them? Then the provider could be accused of parking that individual and performance levels would go down, etc. For that sort of individual who is not engaging at all, maybe a sanction doubt could be raised.

With that said, there is the issue of vulnerability. If somebody is not engaging, it could be because there is a mental health difficulty, as Paul says. The WCA has not been shared with the provider; that may not be visible. Therefore, it is about the communication and the sharing of information with Jobcentre Plus, and potentially other parts of the system as well, to ascertain whether there is anything else going on with that person that means that they are not actually complying with a programme they have been mandated to in many cases.

Q34 Sheila Gilmore: Is there the opportunity or the resource among your members to make that distinction and find that out? You said it would be helpful if the WCA was shared, and I think we said that in our last report as well, but it still is not happening. When the Work Programme was set up, I remember being taken on a visit to a provider in my area, and there were a lot of things said about how there would be the opportunity to look in depth into people's problems and so on. Is that happening? What kinds of tools are used at the moment, when people are first referred, to work out if they do have some of these problems that you have described?

Kirsty McHugh: All providers will carry out an assessment of need. That could be a psychosocial behavioural-type approach; it could be something that is more focused on employability, depending on what that jobseeker is presenting with and the quality of information that has come across from Jobcentre Plus. What my members tell me is that it often takes a number of meetings to actually get under the skin of what is going on with that individual. For instance, there could be drug and alcohol issues, which are often not acknowledged, even to the individual. There are often mental health difficulties, which could be combined with something else. For people on ESA, there is often not just one problem; there are often two. It could be musculoskeletal and there is also depression, for instance, and it could take you a while to actually ascertain what is going on. From there, you could put in place a support package.

If you have somebody who is just not engaging, they are not turning up or maybe they have turned up once and then they are not responding, you cannot do that. That is the sort of individual, particularly if there has been a deterioration for whatever reason, where a sanction doubt is more likely to be raised, but they could be vulnerable. There are concerns about how we identify the vulnerable within the system. Bear in mind as well that DWP will come along and sit with providers and, if they think that individuals should

have been sanctioned and they have not been, they will say, “Why have you not done this?” So there is that element going on as well.

Q35 Sheila Gilmore: From that perspective the follow-through accusation or assertion has been that because more people in the ESA WRAG are going into the Work Programme, there is an increasing number of people being sanctioned, yet the performance for this group, in terms of getting people into work, is quite low, so the assertion is that you are more likely to be sanctioned than you are to get a job. Are you concerned about that? What steps are you taking to deal with that?

Kirsty McHugh: The ESA performance is the biggest concern out there, and we have to get it right for the next round of contracts because, frankly, there is not enough money in the system to meet the needs of people on ESA. There just isn’t. Tony will back me up in relation to that, our independent expert.

Tony Wilson: Yes.

Kirsty McHugh: However, we cannot just wait until the next round of contracts. We have to see what we can do now. It is about health money; it is skills money. That is very difficult to knit together around the individuals. The number of people starting ESA at the moment is about 12%. That is not the job outcome figure; that is lower, because obviously there is a time lag in that, but we do know that, once somebody has started work on ESA, they are likely to stay in work. The sustainment levels are high, because they have made that mental leap and they want to work.

We think the increase in ESA sanctions is to do, as you said, with the increase in the number of people coming through on ESA, so there is a correlation in relation to that. There has been an increased focus on performance—everyone wants to see performance going up—that might be leading to more sanction doubts being raised, but then there are issues around the Work Capability Assessment and people being referred to the WRAG and, therefore, the Work Programme who should not be.

Secondly, they could be, once they are in the WRAG, spending their time contesting that decision rather than engaging with the programme, because their mindset is, “I’ve got to get back on my higher benefit, because I am too ill to work.” All those things have a particular impact in relation to this as well.

Q36 Debbie Abrahams: We know that in 2012-13 there was a 250% increase in sanctions of ESA claimants. Matthew’s report indicated that 90% of sanctions originated from Work Programme providers. Do we know what percentage of ESA claimants that are sanctioned originate from Work Programme providers?

Kirsty McHugh: The sanction doubts being raised—I do not know that off-hand. That should be available, should it not, from DWP?

Tony Wilson: I do not know the figure.

Debbie Abrahams: But it has suddenly increased.

Kirsty McHugh: The number of people coming through on ESA has radically increased as well, over that period. We had very few coming through on ESA to begin with. That is not the whole picture, but it is part of the picture.

Tony Wilson: There is a more worrying point about this, though: the huge growth in ESA more generally. Providers are doing what DWP requires them to do. This is Government policy, rather than providers' action on their own behalf, off their own backs, to refer people to sanction. This is an area again where there is no evidence. In fact, the evidence suggests that conditionality generally for ESA claimants has not worked in the past. There is no evidence about a positive impact from work-focused interviews, nor indeed from Pathways to Work, nor indeed so far from the Work Programme. That evidence will become available as we improve our evidence base, as we test more things, as we do more work.

The fact that sanctions are running so far ahead, frankly, of any understanding of what works, and developing an effective model of conditions and support for people on ESA, is deeply worrying. We said in our evidence that it has got to the point where we should suspend the application of sanctions for people on ESA until we actually have a much clearer idea of what the journey and the support looks like, what works in terms of conditions of support and the impact of sanctions.

Q37 Debbie Abrahams: I wonder if Philip and Paul wanted to comment on this. There was a report from Salford at the weekend about how ESA sanctions were actually exacerbating the ill health of people already on it.

Paul Farmer: As we said in the submission of our evidence, we think this is a symptom of a much deeper problem about ESA. Other witnesses are also emphasising there are some really fundamental challenges about the nature and the structure of ESA for people. To try to paint that picture a little bit more, people are telling us that, in terms of their engagement, there is a lack of mutual understanding. A quote from somebody who gave a submission to a report we published last year: "Advisers had little knowledge about mental health and, when I asked to see the specialist, it became apparent that she knew little more than the others. There was no apparent sympathy or understanding of my background. Some Jobcentre staff were harsh, threatening and unsympathetic. It made me tearful."

Secondly, there is a fear of sanctions. Again, another quote from our report: "During my time on the Work Programme, I was hospitalised due to an overdose but, because I was so petrified they wouldn't believe me or that the information would get lost and I would get sanctioned, I turned up to my appointment a couple of days later anyway." There is an underlying impact on the psychological well-being of many people who are on ESA at the moment, and then you add into that this extremely concerning high level of application of sanctions for people on ESA, up from 1,700 a month to 4,800 a month, and people with mental health problems being disproportionately affected in sanction application.

There really is quite a fundamental problem here, and of course the great shame about this is that people with mental health problems have got one of the highest want-to-work rates of any disability group. Kirsty is right: if you can get that information and the engagement right, then you can support. Hopefully we will have time to come on to this; we have got some really good examples of programmes that are running in a conditionality-free space,

where the success rate is four to five times higher than the success rate of the Work Programme approaches.

Q38 Glenda Jackson: Is there any regional breakdown on the escalation of sanctions?

Paul Farmer: Yes.

Philip Connolly: I would like to say that what we need to do is go to a relationship of trust—there is currently a relationship of fear—between the Government and the claimant, where the claimant is confident that they are going to get support that is tailored and personalised, which is going to make a difference to their job prospects. There are many aspects of that support that people currently are not getting—for example peer-to-peer support, and sometimes contact with an individual job coach with a high level of intelligence about the local labour market conditions. There are many types of support they are not getting. The support that is currently on offer is too small, too generic; it is about job searching or CV writing. It is support that they have frequently had before that may not have made a difference to their prospects in the past, and then they are faced with sanctions. More people are being sanctioned than are actually getting jobs, as has been said.

We need to re-engineer that relationship of trust because, as other people around the table have said, we want to see a climate where people who want to work actually feel confident that the support is going to make a difference to their prospects. We will definitely see outcomes from that.

Q39 Sheila Gilmore: Some of the guidance that DWP has produced, at least on paper, sounds good. For example, one I was going to highlight was the guidance stating that, “Where appropriate, a member of the DWP Visiting Team will visit ESA claimants in their homes, where the claimant has a mental health condition or learning difficulties and has failed to attend an interview or participate in a prescribed activity.” I am sure you would support that but, in your experience, does that happen? Have you experienced that?

Philip Connolly: There are relatively good guidelines around safeguarding, but it is our experience that these are not being adhered to and also that these guidelines are increasingly being treated as just merely guidance. They have no legal status anyway, so we are actually seeing them increasingly being ignored. For example, for those 60% of people on ESA who have a mental health condition or a condition that is going to affect their cognition, only in 8% of cases has a GP been contacted with an ESA113 form to seek the further medical evidence to be able to take into consideration what decision should be made with regard to whether they should be sanctioned or not. There are lots and lots of aspects where the guidance is increasingly being ignored, which I think is to the detriment of everybody in the system.

Paul Farmer: It is really unclear whether the guidance is always being used, and we would welcome some greater clarity around that. I would agree with Philip that guidance is pretty good actually. If it was really applied more regularly, it would help plug some of those information gaps that Kirsty was talking about. The ability to try to give the

providers the best possible chance of supporting the individual could be very helpful, but it is very unclear and we are not hearing of any examples of people receiving things like a core visit, for example.

Q40 Paul Maynard: Mr Farmer, you have made some interesting comments about people with a mental health condition and the sanctions regime, but I am just trying to get you to a conclusion from what you are saying. If the sanctions regime is operating on a risk-and-reward philosophy, i.e. people will do something because the alternative is far worse, is that appropriate for those with a mental health condition? I would suggest that no, it is not. You have issued a report—I think it is called “We’ve Got Work to Do”—where you alluded to this, where you had a much better success rate. Can you talk a bit about how conditionality features, if at all, in those models? If we were to go to the logical conclusion of all of that—that people with a mental health condition need to have some separate regime in terms of sanctions and conditionality—would you have any concerns that that might be a stigmatising separation, or would that actually be a positive development? That was quite a bundle of questions.

Paul Farmer: Let me just try to unpack that as briefly as I can. I am conscious of time. First of all, the evidence is telling us very clearly that the current approach for supporting people with mental health problems who want to find work is not working, particularly for those people on ESA. Actually the situation on JSA is a bit more mixed and bit more debatable but, certainly on ESA, it really is not working.

The report we published, and we would be very happy to give Members copies of the report if that would be helpful, looked at a number of schemes using the individual placement and support model, which I think is a very well evidence-based approach. These schemes are currently run in this country; they are normally run by voluntary organisations. They are funded normally either by the mental health trust or by the local authority, sitting on the side of supporting people with serious mental health problems. They are totally conditionality-free programmes. They are locally based programmes, and the evidence suggests that they are pretty effective. They are delivering a 20% to 25% success rate in supporting people back into work, so they are pretty successful, and they are mainly working with people who are in secondary mental health services, so they are working with people with, by definition, quite serious mental health problems.

Our contestation has always been that the construction of the current programme is both generic and national in its structure, whereas the evidence base, as it applies to people with mental health problems, tells us that a more local and more specific programme would be more effective in supporting people with mental health problems to go back to work.

The challenge that faces DWP in its future contracting arrangement is how much those local initiatives can be scaled up and how local DWP can go in its commissioning approach. Our report advocates taking people with mental health problems who are currently on ESA out of the current process, which would include taking them out of the current conditionality process. I should be clear: we are not totally opposed to conditionality. We have made that point. We think that, if you are trying to understand how you support people who experience severe depression, schizophrenia and bipolar disorder—particularly thinking perhaps about those people who have experienced the instrument of the role of the state in applying compulsory treatment to them under the Mental Health Act—compulsion in this

context, as applied to somebody, has wider connotations for people. That is what many people tell us—there is a better gain, for the individual, for the providers and also crucially for the taxpayer, in helping and supporting people into work. We would argue that that is the case.

We understand that there are some potential risks around creating a separate scheme. I accept the point you make about stigma, and we of course are lead partners in the Time to Change campaign, which is all about tackling stigma. There is a strong argument for saying that as integrated a programme as possible should be applied. We have to look at the end goal here. The end goal surely has to be supporting people with mental health problems who are not currently in work and want to work, to find them work as quickly as possible. That is the best way to eradicate stigma in its broadest sense. Positively, we are beginning to see many more employers recognising the benefit of supporting the mental health of their employees. We think that the climate is beginning to change and make that more conducive. It is almost that the barrier—the inconvenient truth of the current programme—is that it was not designed for people with mental health problems. As a result of that, it is not working for people with mental health problems.

Kirsty McHugh: Can I just add one thing? Paul has just missed one important point, which I think is about the amount of money in the system as well. It does not matter whether you have one programme or two programmes. If you have a separate local programme and it is not properly funded, and it is all payment by results, you are going to have the same problems that we have now. We have to bear that in mind as well.

Q41 Teresa Pearce: Mr Wilson, your submission strongly supported one of our recommendations in our JCP report, which was that conditionality should be balanced out with in-depth advice and support from the JCP, so that it should be a contract on both sides. Do you think Jobcentre Plus does that?

Tony Wilson: In many cases, yes, it does. It can, and it does actually, particularly where people are becoming long-term unemployed or have particular barriers to work—people with longer durations, for example. Many young people will usually have a named adviser, and they will provide employment support. However, things have changed quite a lot even in the last year or two years in people's perceptions of the role of Jobcentre Plus and actually in the role that Jobcentre Plus is playing. What we hear again and again, in in-depth qualitative research in local areas and with residents affected by welfare changes and so on, is a feeling that they are not getting access to employment support and that Jobcentre Plus, essentially, is trying to catch them out and find reasons to suspend payment.

Teresa Pearce: It is like the old-fashioned unemployment benefits office.

Tony Wilson: Yes exactly, which leads on to the second point—that there is an increasing risk that we are starting to see a separation. The rationale for creating Jobcentre Plus was to bring together benefits administration and employment support in the same place, so that conditions for receipt of benefit, the BA function, sat alongside the old Employment Service and the Benefits Agency. The Employment Service function and employment support sat alongside that and that worked as an integrated system. We know that that was independently evaluated, and we know Jobcentre Plus was very effective in that.

What we are hearing and seeing is some separation of that now, with much more focus on compliance with benefit terms, and suspension of payments where there are doubts about a change of circumstance. One case study that came up in our research was an ESA claimant, who became entitled to Personal Independence Payment and failed to notify Jobcentre Plus—why should they even be expected to?—that they were now receiving that other benefit. They had their payment suspended until it was determined whether there was any impact on their benefit receipt. These sorts of stories, and similarly you find a couple on formation and separation and so on, are deeply concerning and point to quite a different relationship. That has inevitably generally run alongside a reduction in the number of advisers, and particularly specialist advisers, to provide that work coach or personal adviser type of role.

One of the really big points that we have not talked about today, which is really important, is the impact. It comes back to Philip's point about building a relationship of trust. People who are not required to attend Jobcentre Plus do not volunteer for support, because they see this system as being punitive—as being harsh and trying to catch them out, as it were. For lone parents with young children, people with health conditions, non-working partners and people on low incomes, when they want to get employment support, they do not go to Jobcentre Plus, because they are worried it will lead to conditionality, sanction, a query about their benefit receipt and so on. The loss of other local support systems essentially means that those people are falling through cracks.

It is deeply worrying. We now have a growing number of people who are outside mandatory employment programmes, mandatory support, but do not really have anywhere to go to if they want to get help to find work. That points to trying to rebalance that role for Jobcentre Plus.

Chair: The sanctions regime could be putting people off who do not qualify for any money, but have an underlying entitlement, from actually seeking support.

Tony Wilson: I would go so far as to say that the sanctions regime is putting people off who are not required to attend Jobcentre Plus, because they fear that, if they do attend Jobcentre Plus, it will lead to doubts being raised about their entitlement; it will lead to them being reassessed and so on. Whether that is because of people's perceptions of what would happen or the reality of what is happening is another matter. A lot of it is because of their social norms. They see what happens to people around them and are fearful of it. This has come up again and again in different parts of the country, in different research that we have done. It has come up with enough frequency that we can say it is happening with some certainty.

Related to that, people who become sanctioned are then also pushed away from employment support. If you have a six-month sanction, where do you go if you want to get help to find work? The last place you are going to go is back to Jobcentre Plus. We risk creating a group of people who are outside any form of employment support.

Chair: On that note, can I thank you very much for coming along this morning? We have got through a lot, but there is plenty more we could have been asking you about. Can I say thanks and can I ask you to move out very quickly so we can get our second panel in?

Witnesses: **Keith Dryburgh**, Policy Manager, Citizens Advice Scotland, **Professor Peter Dwyer**, Professor of Social Policy, University of York, and Principal Investigator, Welfare Conditionality project, **Nikki Hart**, Blackpool Food Partnership Co-ordinator, Methodist Action North West, **Chris Mould**, Chairman, the Trussell Trust, and **Dr David Webster**, Honorary Senior Research Fellow, University of Glasgow, gave evidence.

Q42 Chair: Can I extend our welcome to our second panel this morning? We have got a lot to get through with a lot of witnesses, so thank you very much for coming along this morning. Can I ask you if you can introduce yourselves for the record?

Keith Dryburgh: My name is Keith Dryburgh. I am the Policy Manager at Citizens Advice Scotland.

Professor Dwyer: My name is Pete Dwyer. I am Professor of Social Policy at the University of York, and I lead an ESRC-funded project on welfare conditionality, sanction support and behaviour change.

Nikki Hart: Hello, I am Nikki Hart. I am the Project Co-ordinator for Blackpool Food Partnership and I work for Methodist Action North West.

Chris Mould: My name is Chris Mould. I am the Chairman of the Trussell Trust, which runs the largest national food bank network in the UK.

Dr Webster: My name is David Webster. I am an Honorary Senior Research Fellow at Glasgow University.

Chair: As I say, welcome this morning. The first set of questions comes from Graham.

Q43 Graham Evans: My questions are on the current system. The Claimant Commitment is designed to further intensify job search requirements under Universal Credit. DWP will be able to require some claimants to spend 35 hours per week looking for work—a full-time job looking for a full-time job, as it were. Is there any need for Jobcentre Plus to prescribe specific actions by using Jobseeker Directions, Peter?

Professor Dwyer: For me, one of the key issues in relation to Universal Credit is the fact that, for the first time, we have an extension of conditional requirements now being applied to people in low-paid work. It is not just about those who are inactive in the paid labour market, but the conditionality threshold that is written into that piece of legislation can say to people who are on in-work benefits on low-paid jobs that they may have to look for another job, look for a better-paid job, in relation to the receipt of Universal Credit, or be subject to sanction and fine. That for me is a major step change in the way in which conditionality is being applied.

The Claimant Commitments, in a way, are about the balance of the relationship between the so-called adviser and the client or a claimant of welfare. The problem with them is that, essentially, they might perhaps put all the onus on that individual, even though the individual may already be in work or may face barriers to work. We need to be thinking about the other side of the equation, the support that is offered, as well, as we heard earlier in the session.

Dr Webster: I would just like to add that we do not really know what Jobseeker Directions are used for. One speculates that they are used for things like telling claimants that they should learn English or that they should smarten themselves up in the way they dress and things like that, but nobody actually knows. There were very few Jobseeker Directions used throughout the history of their existence, until the last couple of years, when they increased very sharply under the coalition Government, but they are still quite a minor element compared to actively seeking work or the equivalent—the Claimant Commitment.

Q44 Chair: With the introduction of in-work conditionality, could it be possible that somebody could be sanctioned for not earning enough money, so they will lose money because they are not earning enough money?

Professor Dwyer: In principle—I have the figures somewhere, but essentially—if you are not earning the minimum wage for 40 hours a week equivalent, and you are in receipt of in-work benefits, you can be sanctioned as somebody who is working hard in a job, because you are effectively not earning enough money and are reliant on in-work welfare support. You can also be subject to a system of fines. Whether or not that is actually being applied at the moment, I have my doubts because, as we all know, Universal Credit is in a rollout phase that has been delayed. In principle that is written into the legislation.

Graham Evans: In practice, I have never heard of that.

Professor Dwyer: I do not think we have had a chance to see it in practice yet. Quite frankly, if the Government were to put the focus on low-paid poorer citizens, who are doing their best through paid work and to start sanctioning them, threatening them with fines or requiring them to look for better-paid employment, it would probably be in error, given the fact that people are doing their best.

Graham Evans: Nobody is suggesting that.

Professor Dwyer: That is part of the legislation and part of the framework.

Chair: That is the problem; it has not happened yet.

Graham Evans: It is hypothetical.

Professor Dwyer: I am sorry; it is not hypothetical. It is underpinning Universal Credit and it is part and parcel of the proposals that underpin Universal Credit, so it is not hypothetical. It is not happening yet and I do not expect it to happen sometime soon.

Q45 Graham Evans: You used the term “so-called adviser”. You described the Jobcentre Plus advisers as “so-called advisers”. What do you mean by that?

Professor Dwyer: It is probably a loose use of language, but part of the role of advisers in Jobcentre Plus is to offer support, offer pathways into employment, engage with people perhaps but, at the moment, one of the key concerns about the system is that the system seems very much orientated on the sanctions side rather than the support side.

Q46 Graham Evans: We did an investigation into Jobcentre Plus and we did not come across that at all, nor do I see that in the two Jobcentres that I go to see. The advisers who I meet on a regular basis care passionately about trying to help their customers to get into paid work.

I am going to go on to the next question to Dr Webster. Changes since the 1980s have established a more active employment support system, with a stronger link between unemployment benefit and engagement with the labour market, which successive governments have supported and all parties have supported. You believe that active labour market policies would be enhanced by the removal of what you describe as “threat and compulsion”. What evidence is there to support your view?

Dr Webster: There is a lot of evidence from the voluntary sector, which has produced a lot of reports that have pointed out that inappropriate referrals to projects are much more likely if advisers can simply direct people to do them. That came out particularly strongly in Catherine Hale’s report for Mind, which was published in July, which showed that 80% or 90% of the ESA claimants were saying that little or no account had been taken of their needs in referring them to work-related activities. Now, the point about the voluntary system is that you cannot refer to something that is too inappropriate, because you cannot make them do it, so really it is a fundamental point that the existence of compulsion does make inappropriate referral to types of support much more likely.

It is worth looking at a historical thing. One of the unemployment insurance Acts around about 1920 introduced provision for the first time for compulsion to direct claimants to go on training schemes. That provision was not used until about 1930 or 1931, and then it was used for two years and then dropped. If you read the Ministry of Labour report of the time, they said that basically training schemes are more effective if they are voluntary.

Q47 Graham Evans: You do not believe that people should be compulsorily encouraged to go for job applications and work experience.

Dr Webster: I believe, along with most people who have commented—well, practically everybody who has commented on this—that most people who are unemployed want to work. They want a job. It is not necessary to run a system on the assumption that most people do not want to work. It does not fit the facts. The basic approach should be to work with the claimant and get them suited. You respect their own strategy for getting work and facilitate them. If they need advice, if they are not pursuing a sensible strategy, the first recourse should be to give them that advice. Why do you have to have a system that is based on a fundamental assumption that people have to be compelled to do things that they do not want to?

Q48 Graham Evans: There are taxpayers who work hard and pay taxes. Therefore, if you are in receipt of benefit, there are rights and responsibilities. Part of the responsibility is that, if you are fit for work, you should actively pursue that. What would you say, just as an example, to a group of people who work in the black economy but, at the same time, claim benefits, such as Jobseeker's Allowance? Do you not think that they should perhaps be sanctioned?

Dr Webster: That is fraud. We have a judicial system that is set up to deal with fraud, and I regularly read cases in the paper where people have been prosecuted for benefit fraud. Why do we need a parallel secret penal system for benefit claimants who are perfectly innocent?

Q49 Graham Evans: Dr Webster, you do think that there should be some form of sanctions, even if it is prosecution for fraud.

Dr Webster: I certainly believe that there must be a judicial system that deals with the issue of fraud, absolutely. I also think that there have to be conditions attached to unemployment benefit. You cannot abolish conditions, because it is an insurance scheme. Any insurance scheme obviously has conditions. To claim unemployment benefit, you have to be unemployed, which means you have to be available for work, able to work and looking for work. These are conditions that you cannot get away from, but that is different. For most of the existence of unemployment insurance, the conditionality has meant ensuring that people actually meet the conditions for unemployment benefit but, over the last 20 years, we have seen this shift towards running what is, in effect, a parallel penal system. We need to ask fundamental questions about whether we need or want a parallel secret penal system alongside the judicial system.

Q50 Graham Evans: What do you mean by "secret penal system"?

Dr Webster: It is a secret penal system because the decisions are made in secret by officials. The claimant is not present. They are not legally represented. The punishment is applied before there has been any hearing. If they get a hearing, then it is only long after the punishment has been applied. The scale of penalties is more severe than the scale of penalties that is available to the magistrates courts or sheriff courts in Scotland. You are talking unmistakably about a penal system that has a set of characteristics which, I would suggest, are totally unacceptable in a democratic society.

Q51 Graham Evans: These things have happened through all governments. You fundamentally disagree that there should be any sanctions whatsoever.

Dr Webster: No, the penal aspect has crept up over the last 30 years, in a number of incremental changes that have never been thought about or discussed as a whole. The starting point was in fact a concept of meeting the conditions, the qualifications, for unemployment insurance. The word that was used was "disqualification"; it was not "sanction". We need to stand back and look at the system that we now have as a totality, and say, "Is this kind of system actually acceptable?" It is my belief that all the problems that we have been talking about and were talked about in the previous panel this morning

are not an accidental occurrence, when you are running a system like this. They are an inevitable result of a secret penal system that has grown up without proper safeguards.

Q52 Graham Evans: I have spoken to people who are Jobcentre Plus advisers, and I have asked them about sanctions. In my constituency, relatively few sanctions are given out. I have asked them about the process for giving out sanctions on a case-by-case basis. I find that the way that they go through it is very professional. It is certainly open, it is not secret, and they do it very reluctantly. I have to ask you, if someone has signed up to look for a job, a 35-hour commitment to look for employment, and there has been a job interview that the individual has failed to attend, they have not gone into the Jobcentre Plus as they said they would, and so on and so forth, do you believe that there should never be a sanction?

Dr Webster: The legal position at the moment is that you cannot be sanctioned for not doing what you said you would do. If you challenge a sanction and go to a tribunal, the only matter that the judge will consider is whether you took such steps as were reasonable to help you find employment in your circumstances. That is the legal position. What DWP is doing is sanctioning people willy-nilly for not doing arbitrarily imposed things. They say to claimants that they have to apply for 30 jobs in a fortnight and then they only apply for 29, and they sanction them. This is completely absurd.

Graham Evans: I do not agree with you, Dr Webster. I have two Jobcentre Pluses in my constituency and to describe sanctions being dished out willy-nilly is bizarre and completely ridiculous.

Keith Dryburgh: I was wondering if I could make a point on your first question on the Claimant Commitment, because that is quite central to how the sanctions regime actually works. We have concerns that people have specific needs and circumstances that are not identified during the interview in which the Claimant Commitment is agreed and then, effectively, those people are set up to fail, because they have signed an agreement that does not actually match their needs. We need Jobcentres to proactively identify people who have specific needs and make sure that is in the Claimant Commitment. We have seen people who have very severe literacy problems and that is not part of their Claimant Commitment. They are looking for any type of work. There are people who have not been able to work for 30 years because of a back condition and, again, that is not on their Claimant Commitment and they are required to take jobs as cleaners. If the Claimant Commitment is not right, and in a lot of cases it is not at the moment, then that is setting people up to fail.

Q53 Graham Evans: What you are saying is that, on a case-by-case basis, the devil is in the detail. You have to make sure that the commitment is appropriate to the individual.

Keith Dryburgh: Particularly for people who have come from IB or ESA, people who have been found fit for work; those are the people who are worst affected that we see, and people with mental health conditions that are not necessarily apparent in the first interview and then become very apparent when there is a sanction imposed. It is paramount that Jobcentres investigate and identify these issues. We are concerned that claimants feel that they need to sign Claimant Commitments straightaway, and that they are not taking it away with them because of the climate of fear that we discussed. People will just sign

things because they are scared that they will get sanctioned if they do not, so we have to be constructive in interviewing them, in the first place.

Chris Mould: On this point about disproportionate and apparently punitive sanctions decisions, food banks that we get reports from right across the country give us frequent examples, particularly since the latter part of 2012, of what appear to be very disproportionate decisions. We see this spread right across the country. We can identify some Jobcentres that seem to be more likely to head that way than others, so there is definitely a lack of consistency of practice. We do see decisions related to people only being a few minutes late for appointments or people who have been given multiple appointments, one of which has been cancelled, and redress takes too long. The point that strikes us most powerfully is that many of the clients we help are helped for a short period of time, a few weeks, whilst they are acquiring the redress and the decision is being overturned. We see the end result and that reinforces, from the food bank and volunteers' perspective, the inappropriateness, the unfairness and the punitive nature of the decision, because it was overturned; it just took too long.

Chair: We have questions on trends in sanctioning; Debbie.

Q54 Debbie Abrahams: I was very interested in what you were saying, Professor Dwyer, about the Universal Credit regulations and in-work conditionality. We included that in our JCP report at the beginning of last year. I actually asked the Secretary of State last month what conditions there would be for in-work sanctions, and he was not able to answer me. Since then, we have had the Autumn Statement, which shows quite clearly the reduction in tax credits that is being budgeted for, so you have hit on something very important. My question specifically is: will you be monitoring that as part of your work?

Professor Dwyer: One of the groups that we are interviewing is Universal Credit claimants in three locations we have chosen: Inverness, Manchester and Bath. Those are pilot areas. What is interesting is, when we put the team together to do this project, which was about two to two and a half years ago—these things take time—Universal Credit was an idea, almost. It was in its infancy. We have had to add that group of claimants, or what we call welfare service users, to the overall study because of that change, so that in-work conditionality, for want of a better phrase, is something that we will be looking at. We are at the very early stages of interviewing those people, because obviously we are doing a lot of interviews.

Q55 Debbie Abrahams: You have just mentioned the Claimant Commitment. This is obviously preceding the rollout of UC, which we know has been very much delayed and so on, but is there a relationship? Has anybody got evidence of the relationship between the use of the Claimant Commitment and the increase in sanction rates?

Dr Webster: The formal introduction of the Claimant Commitment, which took place between October 2013 and around about April this year, does not seem to have had any effect on the statistics for sanctions. I would expect that claimants not adhering to their Claimant Commitment would come under the “not actively seeking work” category, which has not actually risen as a result of the Claimant Commitment being introduced. In

a sense, the Government had done this already, because the real increase in sanctions for not actively seeking work came earlier.

Q56 Debbie Abrahams: Can I move on then? I am with you, Dr Webster, in relation to your views about sanctions being applied as a last resort. I understand that you do not feel that that is the case; would you like to explain a little bit why you do not?

Dr Webster: The first thing that I would say is that, if sanctions were being applied as a last resort, you would expect to find something in the internal staff guidance of DWP telling staff to apply them as a last resort. There is nothing of the sort in those staff manuals. If you take as a parallel the procedures that are being introduced for mandatory reconsideration, there the Government certainly want a situation where going to a tribunal is a last resort, and they have put in any number of steps that have to be followed to make sure that it jolly well is a last resort. The claimant is not allowed to fill in a form now to trigger a mandatory reconsideration. The form that triggers a mandatory reconsideration is filled in by a DWP official, but only a couple of steps after the claimant has lodged their objection to the sanction. The Government has designed this process, which is set up to ensure that a tribunal hearing will be a last resort, but in the case of sanctions there is nothing like that. If you look at the manuals, they just say that the claimant is sanctionable if they do X, Y and Z.

Professor Dwyer: In relation to sanctions and whether they are a last resort or not, two things are important. I take the gentleman's point that some front-line providers and front-of-desk support staff work proactively to support people, but other people certainly report that, in their interactions with particular members of staff in particular places, decisions to sanction are taken and not clearly explained. The issue of discretion of what is called street-level bureaucrats is vital.

The other side of it that is important, which seems to be increasingly part of the system, is the application of an almost automatic sanction, so a lack of discretion. It is a situation where somebody turns up a few minutes late and pleads the case, but they are told, "No, you're late. There's a sanction." There is an issue of discretion of individual people administering and implementing policy, but there is also the increasing automation, almost, of sanction, which is something a colleague at York looking at the Work Programme has mentioned in discussions around these issues.

Q57 Debbie Abrahams: I am with you, Professor Dwyer. There have been some comments by former JCP advisers about the inappropriateness of sanctions. Keith mentioned some claimants being set up to fail because of a targeted approach to sanctions. Will you be looking at this in your work?

Professor Dwyer: Essentially what we are trying to do is explore, if people were sanctioned, why they were sanctioned and the impact of that, yes. The other side of it, which I am keen to emphasise, is that we do see welfare conditionality as sanction and support. One of the key things at the moment is that the support side, as I started saying, has been almost relegated to being secondary. It is vital if the system is going to enable people into fulfilling work, sustainable work, etc.

Q58 Paul Maynard: Could I very quickly ask Professor Dwyer, just on the issue of discretion in particular, if there is not a moral dilemma here? The more you try to make the system more transparent, rigorous and rules-based, so people are clear over what triggers a sanction and what does not, are you then not diminishing the amount of discretion that a frontline member of staff can actually exercise, because they have to stick within ever more rigid guidelines? Do you see that tension? How might we resolve that?

Professor Dwyer: There certainly is a tension, and the tension cuts to the heart of the personalisation agenda, because the Government is committed to the extension of conditionality, its intensification, but also importantly they say it is personalisation. That must mean some element of discretion from providers who are offering support to people, taking into account the multiple needs of certain vulnerable groups in particular, as has been mentioned. There is a tension, and I do not think that that has been resolved.

It appears at the moment—and this is my personal opinion, not based on evidence from the study; one thing I want to say is that our study is ongoing, so it is too early to make definitive statements—that the sanction aspect of it is to the fore and is being foregrounded, maybe as a deterrent to worklessness. The support side is being lost perhaps.

Q59 Paul Maynard: To horrify Dr Webster, who I actually find a degree of common ground with—I am sorry to tell you that—would you therefore not agree that, perhaps over the past 40 to 50 years, the development of conditionality and sanctions regimes has become an end in itself? Rather than related to actual work outcomes, we develop a policy of conditionality based upon implementing a policy of conditionality, with a sanctions regime that then follows it. That has become almost a parallel policy sphere away from actually linking it to how it delivers a job outcome.

Professor Dwyer: I would agree. The thing that is interesting to me, as someone who started looking at this as a PhD student 20 years ago, is the way that points of principle have almost been lost from the debate. There is a mainstream consensus that conditionality, with an emphasis on sanction and a work-first approach, is the way forward. That is quite a recent development. I remember writing my PhD in 1994, reading a Labour Party document, for example, which said, “We will not use the blunt Tory tool of compulsion”, yet within two years there has been a switch and an acceptance of a principle of conditionality, of using primarily sanction as a lever to change the behaviour of claimants. We need to unpick and understand that, and see whether it is reasonable, ethical and justified. That is one of the things we are trying to do at the moment.

Q60 Debbie Abrahams: Dr Webster, if I could mention some figures first of all, in terms of the money withheld as a result of sanctions for JSA claimants, we know that in 2009-10 this was £11 million. Between April and October 2012, this rose to £60 million. Unfortunately, we have not been able to access data from the Department for Work and Pensions on the money withheld for JSA sanctions since the new sanctions regime has been set up in October 2012. I understand that you have estimated that this is £300 million. Could you just clarify that position, please?

Dr Webster: Yes. Actually £275 million, I think, is what I am saying. That is on the assumption that people would not have left JSA.

Debbie Abrahams: That is a 25-times increase since 2009-10.

Dr Webster: It is actually less than that, because the figure that you quoted for 2009-10 is only the amount withheld from what were then fixed-length sanctions, because DWP was saying, “We can’t give you an estimate for the variable-length sanctions, because we do not know how long they were.” I produced an estimate of those and my sum was about £50 million for that time, so the overall amount withheld from the whole sanction system was about £50 million, so it has now gone up to about £275 million. You would have to adjust that figure for factors. What DWP is now saying is, “We cannot give you an estimate, because we do not know what claimants would have done if they had not been sanctioned.”

Debbie Abrahams: You make assumptions.

Dr Webster: It is that sort of money, yes.

Q61 Debbie Abrahams: That is very helpful indeed. My final question is to Professor Dwyer. We talked in the previous panel about initial work that has been undertaken by a research group at the University of Oxford, which has looked at 370 local authority areas and has estimated that one in four JSA claimants who are sanctioned leave JSA. They go off flow, and more than half of those do so for reasons other than employment. How will you be investigating what happens to those claimants?

Professor Dwyer: The first thing to say about that is that even the most enthusiastic advocates of welfare conditionality—people like Lawrence Mead in America—accept that, although you might reduce the numbers on benefit, the outcomes are very varied. People often disengage; that is accepted. The way we are trying to investigate that is by interviewing 480 people three times over a two-year period. Where people have been sanctioned, some of them may well walk away, and we are into their lived experience of sanctions and support, and the role that sanction might have played in their disengaging from the system or, more positively, the way in which, for some people, sanction or support may have promoted engagement.

It is not just a one-way street. Again from some of the interviews we have done, without pre-empting them, I can think of situations and interviews, having spoken with colleagues, where people have received support and it is working for them at the time of first interview. We interview them over a two-year period to see if anything changes in that period and, if so, the role of sanction and support.

Q62 Debbie Abrahams: Qualitative evidence is really important. Does anybody want to add to that?

Keith Dryburgh: We surveyed 55 welfare advisers on the front line last year on sanctions, and we found that the vast majority disagreed that sanctions have helped claimants find employment. 84% felt that sanctions actually push people off benefit and actively discourage people from claiming it in the first place, because they have had previous

experience or their neighbours or friends have had claims in the past and have had problems. In the last session, it was mentioned that there is a gap between the unemployment rate and the claimant rate now. That has been growing since the sanctions regime was amended in 2012, and half of people unemployed claim JSA now, which is historically low. The statistics show there is a gap and at least half the people who are unemployed are not given support, whereas they are actually on employment support, so there is definitely a case of people being pushed off benefit and not necessarily into work.

Q63 Mike Thornton: This is to Chris Mould. I believe that your data on food bank use indicates that about 30% of cases are delays to benefits; another 15% are due to benefit changes and so on. Did you have a category, or did you put benefit sanctions into any of that? Have you got any figures on what that would be on the benefit sanctions?

Chris Mould: No, we do not have any clear figures on sanctions specifically. Our data is collected from a referral voucher, which is completed by a care professional. We have over 30,000 agencies in the country that hold Trussell Trust food bank vouchers. They sign and verify that, to the best of their knowledge, the reason for someone needing help is valid. For 30% of the people who need help, the primary cause of that is categorised as benefit delay. That generally does not get used by the professional who is filling the voucher out to do with the sanction. Benefit change is usually the category that is used; that is 15%.

Overall, 45% of some 913,000 people who received emergency food support last year were there because of a primary problem with the receipt of social security support. It was delayed, there had a change in the level or there had been a sanction. We cannot separate it out without changing our vouchers or our data system. The strength is that we have a historical statistical run going way back to 2000. The weakness is that we have not adjusted it to get more targeted.

We quite regularly survey our food banks to find out more about their experience. 86% of our respondents, the last time we asked them about sanctions, which was recently, in November, told us that they had seen a significant increase in the number of people coming to food banks, the primary reason being that they have received a sanction. That is self-reporting in the sense that it is the care professional or the individual, so they may not be using the word “sanction” always to mean a sanction.

Q64 Mike Thornton: That is what we heard earlier, was it not? People who have a benefit change, a decrease for any reason or whatever, often just use the word “sanction”. You are incredibly knowledgeable about all of this, so would you personally like to throw in any kind of idea of what you think might be the percentage based on sanctions? Would you be willing to have a guess in public, on television, knowing that we would not have a go at you if you are wrong?

Chris Mould: No, I would not guess, but for sure I would say that there has been a significant change in the front-line experience since the latter part of 2012. Our volunteers in our food banks have been reporting with increasing distress and increasing anger the numbers of clients who have come to them who have had a catastrophic collapse in their

income as a result of a decision by someone in Jobcentre Plus. They see the consequences; this is the point. Whether the decision is valid or not, there is a consequence.

The consequence is not just for the individual, but for the family. We see parents in tears, with children with them, not knowing how they have got into the situation they have got into, not understanding the communications that they have received. The volunteers in the food bank find difficulty interpreting the letters too, and so on and so forth. Many of these things are rectifiable—this is why we are trying to get more welfare rights advice into food banks—because things can be put right quickly by people who understand, who know who to phone and who know the language.

Mike Thornton: All of us around this table have that experience on a weekly basis.

Q65 Chair: Can I ask just Citizens Advice Scotland this? You have done some research on this, so do you have an estimate of what proportion of people who are accessing food banks are as a result of benefit sanction rather than just benefit change?

Keith Dryburgh: We have done some research on the cases that we get, and it is not necessarily valid by the standards of universities, but we would say it is the second most common reason for referring on after benefit delays. Certainly I would not put a figure on it, but a third is nowhere near. Definitely benefit delays and sanctions are the two drivers. We find that roughly one in 42 clients who come into Citizens Advice are being referred to food parcels now, and for unemployed clients it is about one in 11 who come through the door, so the number is definitely increasing. I would not want to put a proportion on it.

Chris Mould: I can give you some figures from our “Emergency Use Only” report, which was done jointly with Oxfam and other bodies. The range is between 19% and 28% at a selected number of food banks—the proportion of people who were in the food bank as a consequence of a sanction. That tells you something about the differential application. Tower Hamlets was one of those at the bottom end of that range. Durham was at the top end, but that is just a small sample. Properly looked at, so it is academically valid, it is statistically valid but it does not tell you about 430 food banks in over 1,000 locations.

Q66 Mike Thornton: The only difficulty is that, if we are really trying to find out how many food bank visits are caused by sanctions, with your organisation, which is the biggest one in the country, the statistics from you would be really useful to try to find out what is actually going on. We cannot tell from anecdotal data, can we?

Chris Mould: We plan to change and develop the data system. There is an important point that we have to make as a caveat: the voucher is completed by a care professional and the claimant, and it is self-reporting. It is what they say is the primary cause of their problem with income, and we are not going to be resourcing ourselves to check that. We do believe that there should be a change in the way that the system is administered by DWP, so that there is an assumption, a presumption, that the customer and the claimant is someone who is worthy of respect. Therefore, when they say something has happened to them, they should be believed. We think that Jobcentre Plus should do more checking of data. We would be very happy to participate in the sharing of research and the exploration of the validity of this information, but we cannot afford to fund the research.

Mike Thornton: Your primary aim is to help people who need help, not to provide statistics. I totally understand that, and it is absolutely right. Just to move on a little bit, you did a recent report jointly with CPAG. You found around 30% of food—we have just talked about that, so we will just move on.

Q67 Chair: I was just going to see if Nikki has any statistics at all.

Nikki Hart: The discretionary scheme for Blackpool Council will definitely have some statistics on it, but it would be very small. It would show a Blackpool bias for our deprivation rates and everything, so it would not be that useful in this arena. We certainly could provide that.

Mike Thornton: It would be useful.

Debbie Abrahams: My only point was that again the Oxford group, collaborating with the University of Liverpool, have done some international and local stuff, within the 346 local authority areas, which has linked sanctions directly with increased food bank use. There is evidence there, and it was presented at the World Public Health Nutrition conference last year.

Q68 Nigel Mills: If the system provides one alternative to resorting to a food bank, it is the hardship payment. Have you seen any increasing awareness of hardship payments following the Oakley review, recommending that they become somewhat more widely publicised—perhaps Nikki or Chris?

Nikki Hart: No.

Chris Mould: Not yet. What we have seen over the last year is a surprising and distressing number of people who were not aware of the local welfare assistance scheme that they could have been helped by or the hardship payment that they should have been told about. There is a fundamental point: for most people who are sanctioned, the hardship payment is not available for at least two weeks, and it is very difficult to feed yourself and your family with no money over that two-week period.

Keith Dryburgh: To support that point, when we surveyed our advisers, 92% said that the process of appeals and hardship payments was not clearly explained to claimants by the Jobcentre. That was June last year, and I do not think we have seen much improvement. I saw a case last week of a single father with three children who had survived for five weeks on a sanction without knowing that he could apply for a hardship payment. I do think that hardship payments should be automatic when there are children involved especially. It should not be up to the claimant to find out and then apply. They should apply automatically.

Q69 Paul Maynard: In the case of Blackpool, do you find that the local Jobcentre Plus makes people who are being sanctioned aware that the hardship fund exists, or do you still get people coming to you unaware?

Nikki Hart: No, we do still get people coming to us who are not necessarily aware. Our biggest problem is that we are quite unique in how we work, which is, I think, why I am here. We are working with the discretionary scheme, which does the assessments, and then we have a whole range of agencies, like housing, probation, etc., which provide a service. It is always about looking at the underlying issues and, as part of that, we look at the conditions. As part of that, we give conditions to people that they need to fulfil and we then manage the resources. The service that we offer is quite unusual. It is all about working together. We have a range of agencies in Blackpool that are really trying to work together, and we really need DWP to be part of that process to work with us.

We have put conditions in place already. For example, if someone is getting a food parcel from the discretionary scheme and they have debt problems, we ask them to look at going to the credit union and, if they go back for another food parcel and they have not been to the credit union, we will say, “No, you need to go to the credit union to get that sorted before you get your food parcel.” We will even take the food parcel to the credit union, so there are those conditions that go with it. We are not adverse to conditions being put in place, but we want DWP to work with us, because all the agencies are trying to work together.

Q70 Chair: Can I ask if there is a particular problem with the fact that the money is stopped immediately? The personal adviser says, “You’re going to be sanctioned” before it has gone to review, and the review is when it is going to be reinstated. Is that causing particular problems with the way the system works?

Keith Dryburgh: I do not think there are too many systems where people are presumed guilty. For most people, if the adviser suspects that they have not followed the Jobseeker Direction and have not followed their Claimant Commitment, then the money is stopped immediately; if your sanction is reversed you get the money back, but you still have gone days or probably weeks without the income that you are entitled to.

Chris Mould: Chair, that is exactly what the food banks experience. Obviously we are aware that we are the emergency resource, so we are going to get a skewed picture. We are going to get to see people who have had a catastrophic drop in their income and have nowhere else to turn. What disturbs the people who have worked in food banks for many years is the fact that it takes longer than ever before to get a decision dealt with and overturned. We have always been around to help people who have made a mistake and have faced the consequences, and the local community is happy to give them food.

What we find very difficult is to give food for longer periods of time to people who need not have been there in the first place, because the decision that got them there was a wrong decision. We see nine weeks, sometimes several months, maybe three months, before a decision is overturned and things put right.

Nikki Hart: If I could add to that, again it is about going back to the fact that the financial condition should be a last resort. It is about actually providing other kinds of conditions first.

Professor Dwyer: On that point, an interview I conducted with a person who works in benefit advice in the north of England was very clear that, the way the system is set up

now, although you can appeal, as mentioned before by Dr Webster, is becoming a barrier to people accessing support, in many ways. Often it can be two or three weeks before even the person advising them understands why they were sanctioned. By the time they get to the first step or they start the process, the sanction has finished and the person goes, “Right, forget it”, so you get a sort of unvirtuous circle.

Q71 Chair: Do you have data on how many people are giving up the process in that way, before they actually get a resolution?

Professor Dwyer: I do not have an estimate on it, but the gentleman I interviewed said it was a serious and recurrent problem with the benefit advice centres he worked above and advised.

Q72 Paul Maynard: On that issue of appeal, I wonder whether Nikki or Chris have observed any pattern of people arriving for support who have been sanctioned and are not appealing the sanction. We have been trying to drill down today to how particularly vulnerable groups are being dealt with in the system, and one hypothesis is that everyone is equally liable to be sanctioned, but there are certain vulnerable groups that are least likely to appeal and go through the process of appeal, partly because of the time and partly because of the complexity. Do you observe anything at the individual food bank level in terms of how willing people are to appeal and whether certain groups are less likely to appeal than not appeal?

Nikki Hart: Yes. We use the third sector as advocates quite a lot for people, so we actively encourage them to be advocates for people, because people with learning difficulties, particularly mild learning difficulties, seem to fall through the net—people with mental health problems, as well, and people with multiple and complex problems. Definitely it is just all too much for them so, unless they have an advocate to work with them, they do not necessarily use the resources. Certainly our soup kitchens are quite hot on trying to help them. They do because they cannot manage the process.

Chris Mould: We run a system that provides a minimum of three days’ emergency food assistance. It is nutritionally balanced food, and there is a limit to it—three vouchers in a six-month period—and that is because we want to help people back into the support systems that exist.

Yes, we have seen a trend towards people feeling more reluctant to turn. We heard a discussion in the first session about the loss of focus on employment support. People do fear the statutory service that is meant to help them. They do have a starting-point presumption that, actually, the people who are making these decisions do not have their welfare and their interests at heart. We found that, when we have put advisers into food banks—and that is just in a number of different parts of the country—who can access food bank clients right at the point when they are getting emergency food and look at their situation, you get better results in the resolution of the underlying problem.

I quoted Tower Hamlets earlier as one of the places where the number of people who were referred with sanctions was low. That is also a food bank where we have welfare rights advisers placed in the centre, and we get much better collaboration between the local

authority, housing advice and the welfare assistance scheme than in places where that does not happen.

Q73 Paul Maynard: In your evidence, you have a rather long list of examples of where I would consider the food bank user had good reason not to be sanctioned. There is a good example in Farnworth with the gentleman who had a learning disability, where the adviser wrote down the dates in non-chronological order. That would be obviously good reason, in my view. Are you seeing a pattern whereby clients who do have good reason not to be sanctioned, and who would therefore have a case for appeal, are not appealing and, therefore, that would strengthen the argument that Jobcentre Plus needs to extract the good reason from the customer, rather than vice versa?

Chris Mould: I cannot say we have seen a pattern, because we do not have the statistical comparators there.

Paul Maynard: Anecdotally?

Chris Mould: Anecdotally, what we see is a growing sense amongst clients that it is a little bit hopeless. This is to do with the sense of the punitive nature of the system and its administration. Something has changed in the last couple of years in the culture, but this is an anecdotal thing that we collect from meeting clients and volunteers, and from listening to our food banks, and we are spread right across the country. The only reason I would say the anecdotal approach has validity is that we also get stories of good practice, so we can say it is possible to do better because, in this town or that, they do better.

Q74 Paul Maynard: Just one more and I will promise to shut up: another vulnerable group that we probably have not covered much today are the homeless. Of course, we have an immense homelessness problem in Blackpool. I wanted to focus Nikki on that particular group. Do you think the current system of relying upon mail communication through the post works for them, when they do not necessarily have a long-term address?

Nikki Hart: No, it does not work. We very much get into contact with them via advocates, so a lot of the work is advocates ringing on their behalf. That is where they are at a soup kitchen and the soup kitchen contacts us to say, "This person is not managing the benefit system", and we are linking them in with a discretionary scheme and the mental health crisis team or whatever else.

Q75 Paul Maynard: Would it be accurate to say that, for the most vulnerable, i.e. those with high levels of transient mental health problems and homelessness, they need an individual advocate to go with them through the system to navigate it successfully or to have any hope of getting what they are entitled to?

Nikki Hart: Yes, and also to link up to the other services that are around them. As an example, we had a person at one of our distribution points who turned up suicidal. This was on Monday. When he turned up, we were able to connect him. He was not very communicative, but we managed to get his mental health crisis nurse's contact details, so they were then part of the process that linked up to the discretionary scheme and looking

at what was going to happen next, in terms of food parcels, advice and support etc. There is often a range of professionals around a person, so it is not just about getting an advocate, but also about getting that range of professionals talking.

That is where we want DWP, talking with that range of professionals. Blackpool and Tower Hamlets are pretty similar. It is an ideal place to do a pilot, because we are a unitary authority and quite small, We want to support those people, and to look at how we can support people from very particular vulnerable groups, to work with DWP and other people.

Q76 Paul Maynard: Very quickly, are you aware of what occurs in Westminster where, I understand from CSAN's evidence, the Westminster Jobcentre Plus funds the Cardinal Hume Centre to work with these very groups of people to get a targeted outcome? Are you surprised that it is not more widely known that Jobcentre Pluses do that in some places?

Nikki Hart: Yes, totally. It was a real shock for us, because we have no communication with DWP really. It is very difficult, and it would be so, so supportive for us to be able to be working with them. In terms of the funds as well, we are at risk of not having the funds next year and we are all working together, so it would be ideal.

Professor Dwyer: Just on homeless people, in a previous study that I did a couple of years ago in Nottingham and London, we compared the priorities of service providers and users, clients. It was interesting. We were looking at people with complex needs—what we call multiply excluded homeless people—drug and drink issues, maybe abuse as a child etc. The thing that came out of that study was that, where there were conditions applied and sanctions and sticks were used, people just walked away. They literally disengaged. What made the difference for people changing their behaviour was where support workers, usually an individual or a service, went to them and went the extra mile, without saying, “In order to get this, you must do that”. People who are excluded like that have often had that all their lives, and that is what forces them away. Unconditional help or help on their own terms—personalised support that can get around some of the structural barriers and the conditions that are often placed upon them—works well for some.

Q77 Sheila Gilmore: I have a question about exactly when the lack of income kicks in. It did come up in the Oakley review, but the system seems quite complex. Maybe Keith can answer this from a CAB point of view. People appear to be able to lose their benefit when they are referred for a sanction, even if the actual decision to sanction has not been made, then you have the sanction and people losing the money, then you have the appeal system. There are a lot of points at which the money is lost, but do you get people coming who have lost income at the referral point rather than the decision point?

Keith Dryburgh: Yes, plenty of claimants come in who do not know why they have lost money and we have to find out that they have been sanctioned. Sometimes DWP is not clear if it is a sanction or a suspension.

Q78 Sheila Gilmore: Can you clarify the difference, as you understand it, between a suspension and a sanction?

Keith Dryburgh: It is very complex. I do not think the DWP staff always understand it either. It is very important actually, and claimants do not understand it, obviously. They think they have been sanctioned but, actually, their claim has been closed in a lot of cases, which then has an impact on housing benefit, council tax benefit and so on. I think it is fair to say that it is stopped at unexpected moments. Part of the review was that claimants need to be told before it is stopped, because claimants will have their income stopped without knowing why and they have no leeway to plan to say, “Okay, I’ll keep a bit of money aside.” It is often stopped just before their payment date, so they are expecting a payment and it is not there, and that is the first they know about it. That still happens, and there is no way for the person to plan to cope with the break in income.

Dr Webster: I can explain the theory behind the concept of suspension. It goes back to this distinction between qualification for the insurance benefit—meeting the conditions—and the idea of sanction as a punishment. Suspension occurs when a doubt is raised about whether the person is qualified to receive a benefit, because DWP argues, “We should not be paying out money to people who may not have an entitlement, because then that is creating a repayment problem”. It seems a different issue from actually applying a sanction, which they do not do until there is an actual decision.

However, the waters have been considerably muddied because, as a result of the Oakley review, DWP has now said that it is not going to suspend benefit before a decision in the case of not actively seeking work, which is the most common type of sanction. Whether it has implemented that yet or not, I do not know.

Of course, again there is a bit of a logic to that, because the whole concept of not actively seeking work has been tremendously stretched under the present coalition. In terms of the Jobseekers Act 1995, actively seeking work is taking such steps as are reasonable in your circumstances to give you the best prospect of employment, and then we have had lots of arbitrary requirements imposed on top of that, which have been treated as if not meeting them disqualifies people from getting any benefit at all, if you see what I mean.

As I said, to be unemployed, you have to be looking for work. The ILO accepts you are not unemployed if you are not seeking work, but what has happened is that that concept has been stretched and stretched so that you are being told you are not actively seeking work if you are not meeting these very arbitrary requirements, like the 35 hours a week or the 30 jobs a fortnight, or whatever. Because DWP has stretched this concept so much, it has in fact undermined the logic of suspension, which is essentially tied up with the concept of disqualification, because really they have turned what is a qualification to be considered as unemployed, namely actively seeking work, into a sanction effectively, so they should treat it the same administratively as a sanction.

Q79 Anne Marie Morris: I will make it quick. Does conditionality work? One of the things, Professor Dwyer, that you say is that “policymakers’ assumptions about conditionality and its effects remain largely untested”. How would you test?

Professor Dwyer: The way we are helping to explore it—I do not use the word “test”, because people are complex beings and it is not what we are doing—but the way we are

going to explore it is by looking at the effects on individuals like those who experience conditionality in its various forms, in various arenas, how it might change lives and how it might trigger changes in behaviour or not. We are going to explore that through a large qualitative study with 480 people, interviewed three times essentially.

Q80 Anne Marie Morris: How are you going to unpick the cause and the effect? Is the consequence of the sanction that they obey the rules, as one outcome, or is it that they get into work? To the extent that you try to differentiate your answer, are they impacted by the extent of employment support they get? It is quite a knotty problem to try to unpick cause and effect.

Professor Dwyer: It is a very knotty problem, and I do not know whether qualitative research can do cause and effect in that precise way. What it can do is look at people in the round of their lives. It can look at other factors. It does not just look at the welfare system, but also at other forms of support, social networks that may or may not be available to them, issues of impairment, issues of education, ability, relationship breakdown, etc., and finds out how that mediates the ability to work. It is messy. At the moment, we cannot provide any answers, but hopefully in four years' time we will be getting there.

Chair: A bit late for us. We have two months.

Professor Dwyer: I am sorry about that.

Q81 Anne Marie Morris: Is there any evidence that, by increasing the length or ferocity of the sanction, that has a greater deterrent effect? In 2012 the rules were changed, and I wonder if there is any evidence as to whether that change has been used and whether it has actually made a difference.

Professor Dwyer: I am not qualified to answer that properly, but my suspicion is that intensification of sanction for a longer period, which came in, repeat sanctions and so on will not drive people into work; it will drive them further away from both work and collective welfare systems.

Chris Mould: From our point of view within the food bank, the increased duration of the sanction has driven lots more people to the food bank and created much more complex problems in their lives, which we would assume make it more difficult to put things right and get a job. We see people who have serious health issues that are a direct result of not being able to feed themselves properly and desperate anxiety. We talk to local general practitioners who are at their wits' end about what to do, and so all we can do is prescribe medication that we should not be prescribing for people who have been driven to this situation, because the sanction appears to be punitive and is running for so long. It has consequences, and the consequences are that people end up without food.

Q82 Anne Marie Morris: Finally—Professor Dwyer, this is one for you—is there any international experience from other countries of a different system that perhaps looks at a more balanced approach of carrot and stick? Could you put in place something that is more of

a carrot if you are actually complying with what has been asked of you, as opposed to or maybe juxtapositioned with a sanctions model, which is the one that we have?

Professor Dwyer: That is interesting. Several years ago, DWP used a carrot-and-stick approach in relation to JSA and issues of adult literacy and numeracy. They said to some people, in certain areas, “You must engage in an adult literacy course and numeracy course. If you don’t, we are going to cut your benefit. If you do not attend, it will have serious consequences, etc. It is a requirement.”

With another group in England, in a different area, they said, “If you come and engage with this, we will enhance your benefit by £50,” I think it was. “We will provide a bonus payment at the end.” What was interesting at the time, around 2005 when I was delving into that, is that I never got to what happened. These experiments have been tried, but the outcomes I could never get into. It does beg the question of principle again, which is where I started—about whether using sanction is appropriate in certain situations like, for example, trying to improve the literacy and therefore the job prospects of certain individuals. My opinion is that it is not the way forward.

Q83 Anne Marie Morris: Are there any final comments? Otherwise this is probably the final question.

Nikki Hart: Mine would just be that, if there was an individually tailored programme, on which the agencies all worked together to help support an individual, if there were some conditions as part of that that might be a really positive way forward, because it is about looking at the person as a whole, not just the job side of things.

Chris Mould: Ours is really simple. We would urge Government to try to take an impact assessment that goes beyond the narrowness of DWP and its budget. The consequence of a policy that has changed and is being applied in a way that is different from the way it was done before—what impact has that had on health and its budgets? What impact has it had on local authorities and their capacity to cope with vulnerable people and support them? We think that there would be some changes in decision-making as a consequence of that bigger picture being taken.

Keith Dryburgh: I just want to say that I support the Committee’s call for a fundamental review of the sanctions regime. We are working in a bit of a vacuum here, in that we do not really know if there is a causal relationship between unemployment and sanctions. We are mixing up the means and the ends, I think. I also am really concerned that we talk about destitution now. That was a word we never ever used in public policy in the UK for years, and yet there are academic studies that are looking at whether destitution exists in the UK and they are finding that it does. Sanctions fit into that. Claimants should never be left without an income, and that support should be there. I recognise that that conditionality needs to be there but, equally, we cannot be putting people into destitution and pushing them away from employment.

Chair: What you are saying is very similar to the first panel this morning, which is that, if the sanctions are inappropriate or overly harsh, you end up driving people away from the support that is meant to help them rather than towards it. You are all nodding.

Can I thank you very much for coming along this morning? We really appreciate it. This will help us greatly when we come to write our report, so thank you again.