

**Department for Work and Pensions**

**Research Report No 313**

# **A review of the JSA sanctions regime: Summary research findings**

**Mark Peters and Lucy Joyce**

A report of research carried out by BMRB International on behalf of the  
Department for Work and Pensions

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# Abbreviations and acronyms

<b>CAB</b>	Citizens Advice Bureau
<b>CAPI</b>	Computer Assisted Personal Interviewing
<b>CATI</b>	Computer Assisted Telephone Interviewing
<b>DMA</b>	Decision Making and Appeals
<b>DMAS</b>	Decision Making and Appeals System
<b>DWP</b>	Department for Work and Pensions
<b>ESOL</b>	English for Speakers of Others Languages
<b>FTA</b>	Fail To Attend
<b>HMF</b>	Her Majesty's Forces
<b>IAP</b>	Intensive Activity period
<b>IBS</b>	Irritable Bowel Syndrome
<b>JSA</b>	Jobseeker's Allowance
<b>JSAg</b>	Jobseeker's Agreement
<b>LMS</b>	Labour Market System
<b>ND</b>	New Deal
<b>ND25+</b>	New Deal for 25+
<b>NDLP</b>	New Deal for Lone Parents
<b>NDYP</b>	New Deal for Young People (18 to 24)
<b>NTA</b>	Neglect To Avail
<b>NVQ</b>	National Vocational Qualification

**PA**

Personal Adviser

**SED**

Sanctions Evaluation Database

**SDMs**

Sector Decision Makers

**SDON**

Single Decision Outcome Notification

# Summary

## Background

The Department for Work and Pensions (DWP) is committed to conducting a full review of the sanctions regime as it currently stands. The review was instigated as part of a wider review of the Jobseeker's Allowance (JSA) regime, with sanctions being a fundamental aspect underpinning JSA and New Deal (ND) policy. Sanctions were last reviewed as part of a review of JSA in 2001. This current review was partly triggered by concern that the process might have become too cumbersome to be effective for some customers.

The Department has also undertaken an internal review of the broader JSA regime and was committed to looking at the possibility of introducing more automated sanctions and 'fixed fines' as part of the 2004 Pre-Budget Report. This evaluation and other analyses of statistical evidence will help to build up the evidence base. There are two major strands to the review, including the research programme, which this report directly feeds into. The other major strand includes the Sanctions Evaluation Database (SED), which links Labour Market System (LMS) data with data from the Decision Makers Administrative System (DMAS), which holds details of every referral for a decision. This provides, for the first time, the ability to analyse characteristics of JSA claimants who are referred and those who are sanctioned.

This research aimed to provide data that was not already available from the SED and also identify differences between the Jobcentre Plus programmes, such as JSA, New Deal for Young people (NDYP) and New Deal for 25+ (ND25+)<sup>1</sup>. Specifically, the research sought to examine customers' understanding and knowledge of the sanctions regime; the processes involved in this; the potential effects of the threat of a sanction; and ultimately, the impact of receiving a sanction on Jobcentre Plus customers.

The research involved both quantitative and qualitative methodologies. The quantitative survey involved 3,017 interviews (2,493 telephone interviews and 524

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<sup>1</sup> It should be noted, that the Lone Parent element of the research has been reported on and published separately and therefore this report focuses exclusively on JSA, ND25+ and NDYP customers.

face-to-face interviews) and utilised both telephone (Computer Assisted Telephone Interviewing (CATI)) and face-to-face methods (Computer Assisted Personal Interviewing (CAPI)). The average interview length was 15 minutes and the main fieldwork took place between 21 February and 11 May 2005.

The qualitative research included a total of 70 depth interviews with JSA and ND customers. The interviews were divided to include a mix of JSA, ND25+ and NDYP and they were carried out across four areas – North of England, Midlands, South and South Wales. In addition to the interviews carried out with customers, group discussions were conducted with staff, including: three focus groups with JSA and ND advisers in South London, Manchester and Cardiff; and one focus group with Decision Making staff. The DMA group comprised sector decision makers and managers (regional and team), from London, the South West and South Wales. The qualitative fieldwork took place between May and June 2005.

It is important to note, that while the survey research included interviews with a range of customer types, including: customers not referred for a sanction; those referred but not sanctioned; and sanctioned customers, the qualitative research focused exclusively on sanctioned customers. As a consequence of this, the quantitative research looked at the sanctioning regime more broadly from a range of perspectives, whereas the qualitative work focused more specifically on the experiences of sanctioned customers and, as a result, draws out more of the difficulties and problems encountered by customers and staff<sup>2</sup>.

The research highlighted a number of key findings and these are summarised below:

### Are sanctioned customers more disadvantaged?

- There were a disproportionate number of referrals and sanctions among young customers. More specifically, 46 per cent of sanctioned customers interviewed in the survey were aged 16-24, compared with 36 per cent of referred and 24 per cent of non-referred customers. The qualitative research indicated that advisers thought that younger customers (those aged between 18-24 years) were more likely to be sanctioned in comparison to older claimants and this was generally felt to be a consequence of their attitude towards sanctioning, which was said to be more relaxed than those from other groups.
- In terms of education and disability profiles, there were very few differences between sanctioned and non-sanctioned customers, indicating that those who are sanctioned are not disproportionately disadvantaged compared with those who are not sanctioned. It is also worth emphasising that 96% of all JSA and ND customers are in fact never sanctioned (according to Jobcentre Plus records).

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<sup>2</sup> As would be expected, the qualitative research aimed to explore in depth the experiences and views of respondents, seeking to understand how and why rather than how often and how many. The qualitative sample was smaller in size than the quantitative sample (as is characteristic of qualitative research) and the sample was not representative of the larger population, rather respondents were 'purposively' selected to generate a specific sample of interest.

The survey showed that as a whole, sanctioned customers were no more or less likely to have qualifications, literacy or numeracy difficulties than their non-sanctioned counterparts. They were, however, slightly more likely to have learning difficulties (15 per cent versus 11 per cent of other customer groups).

- Sanctioned ND customers did, however, appear to be more disadvantaged, although this was inevitable to some extent given that these customers were long-term unemployed. For instance, ND customers who had been sanctioned were more likely to report learning difficulties (22 per cent compared with 14 per cent of ND customers who had not been sanctioned or referred) and were less likely to have qualifications (68 per cent compared with 77 per cent).

## Awareness and knowledge

- Customers' understanding of benefit rules varied: there was a significant minority (18 per cent) of all survey respondents who reported that they had little or no understanding or awareness. While survey recall may have been an issue for some<sup>3</sup>, others displayed a distinct lack of knowledge.
- Customers were generally aware of the principle of sanctioning *per se* (76 per cent were aware that sanctioning would apply if a customer did not agree to certain conditions), but they were often unfamiliar with specific details of the regime, such as the length of a sanction or the amount or type of benefit to be affected. They also tended to be unaware of the term 'sanction' itself.
- A high proportion of all survey respondents claimed not to have been told about the possibility of sanctions (32 per cent). Furthermore, when sanctioned customers were asked how they could have avoided the sanction, 23 per cent said that it could not have been avoided and a similar proportion of customers (21 per cent) were unsure how this would have been possible. The qualitative findings suggest customers felt they either did not know about the sanction in advance in order to avoid it, or they felt their circumstances were such that they had little choice but to leave work or their training course.
- The qualitative findings suggest that although customers exhibited a general understanding regarding the reason for receiving a sanction, some confusion was noted, particularly by those who were sanctioned for leaving work voluntarily. Among sanctioned survey respondents, six per cent said they did not know why they had been sanctioned and a further 18 per cent gave reasons that could not be classified into the main list of sanctionable offences.
- According to advisers, the regime was communicated clearly to customers at key stages of the process – new claims; entry to ND; at the point of referral to training; and also on an *ad hoc* basis according to need. However, the difficulties associated with explaining all aspects of the regime was acknowledged and this was thought to be a result of the complexity and width of the regime.

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<sup>3</sup> Survey recall refers to the length of time between communication about sanctions and subsequent survey interviewing.

- There was a strong link between ethnicity, literacy and other experiences or perceptions. This was evident across a number of survey measures, with customers of non-white ethnic origin or those with literacy difficulties displaying least knowledge of practically all areas of the sanctions process. For example, 47 per cent of non-white survey respondents with literacy difficulties claimed to have little or no understanding of the rules they had to follow when claiming JSA. This compared with 18 per cent of all survey respondents.
- There was general confusion regarding the actions required by customers following the receipt of a sanction, for example, what loans or benefits could be applied for and particularly whether customers should continue signing during the sanction period or make a new claim when the sanction ends.

## Sanctioning process

- The qualitative work suggests<sup>4</sup> that customers were often confused about their experience of the sanctioning process overall, including the events and circumstances that led to a sanction; the sanction referral process, the decision-making process; and receiving the sanction decision.
- Customers heard about the sanctions referral through a range of mediums, including letter and face-to-face, depending on individual circumstances, which primarily related to whether the customer was in the Jobcentre or training centre at the time of the non-compliance; or whether they visited the Jobcentre shortly after this occurred. Respondents were generally not able to say whether the letters came from the DMA or the Jobcentre, and customers were often confused between the referral letter and the letter informing them of the decision.
- In some instances, customers suggested they had not received communication regarding their sanction referral and were consequently unaware the referral had been made at this stage.
- Customers were usually informed about the sanction decision via an automated letter (Single Decision Outcome Notification (SDON)) sent out by the Jobcentre on receipt of the decision made by the DMA team. Although customers elicited some understanding regarding the decision from the letter, such as the reason for the sanction and its length, customers were not always able to understand the content, particularly those with literacy and English for Speakers of Other Languages (ESOL) needs. Advisers also highlighted problems with the letter, suggesting it was overly complicated and lacking in clarity.
- In some instances, customers suggested they had not received the automated decision letter (SODN) and suggested they were consequently unaware of the sanction until their benefit was stopped.

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<sup>4</sup> Findings describing the sanctioning process relate exclusively to the qualitative work.

- Contact between customers and the DMA team was said by customers to be minimal throughout the process, including during the gathering of information relating to the referral; the provision of explanations regarding the referral; and concerning the reconsideration and appeals process. Findings from the DMA research substantiated this.
- Few customers in the sample appealed against the decision, as they generally perceived it to be a long and 'futile' process, and were unsure of the support they would receive in doing this. Certainly advisers were not recommending a reconsideration or appeal unless they felt the customer had additional evidence to present.

## Fairness

- The large majority of customers thought sanctions was a fair concept (75 per cent) and more specifically, even among those sanctioned, around two-fifths thought that their own sanction was fair.
- Within the qualitative research, customers' assessments of the 'fairness' of the system were linked to their perceptions of communication, primarily how successfully they felt the system had been communicated to them and consequently how knowledgeable they were about their responsibilities. This indicates that the initial adviser explanation coupled with the respondent's learning ability were key drivers of the perception of fairness. More specifically, three-quarters (76 per cent) of respondents with a good or fair understanding of the rules thought the idea to sanction someone's benefit was fair, against 69 per cent of those who declared no or little understanding.
- Furthermore, communication of the regime was also seen as being essential in successfully using the policy as a deterrent as, if people were unaware of the policy, it was unlikely to encourage them to adhere to Jobcentre rules and regulations.
- The experience of financial hardship also impacted on respondents' perceptions. Customers who had experienced hardship held less favourable views on the sanctions regime. Sixty eight per cent of those who had experienced hardship judged the decision as unfair compared with 32 per cent of those who experienced no hardship.

## Impacts

- Emotional impacts were highlighted including: depression, frustration, anger and humiliation. It was felt that emotional impacts, such as depression and stress, were more pronounced for those who already experienced emotional issues, such as depression or anxiety-related problems. Customers became angry when they felt the decision had been unjust or the regime inadequately communicated, and they became frustrated when they had not been provided with a thorough explanation of the decision. The quantitative research showed that nine per cent of sanctioned customers suffered emotional problems.

- The qualitative research indicated that stress caused by a sanction could result in physical impacts occurring. Customers mentioned aggravating existing health conditions, such as Irritable Bowel Syndrome (IBS) and diabetes, as well as causing new problems such as disturbed sleeping patterns and weight loss.
- Impacts noted were primarily financial, with customers suggesting they were only able to afford essentials and had to forego luxury items or attending social events. Overall, the survey showed that 68 per cent of sanctioned customers reported they had experienced financial hardship.
- The qualitative research also indicated that sanctions had the dual impact of motivating some customers to find work, in order to ensure they were not sanctioned again in the future; and demotivating others by creating a number of barriers to finding work, such as: fear of applying for unsuitable or unwanted jobs in case of receiving a sanction if they left, and reducing the amount of money they were able to spend on job-search activities, especially travelling to interviews or to the Jobcentre. Furthermore, being sanctioned simply made some customers more determined to claim money they felt was owed to them.
- Sanctions can be seen to influence the behaviour of some customers and therefore have a deterrent effect. Findings in this area were mixed, although just over two-fifths of survey respondents said they were more likely to look for work as a result of benefit sanctions.
- The Department was asked as part of the 2004 Pre-Budget Report to explore the merits of introducing fixed fines instead of some existing sanctions and for some new offences, like late signing. The idea of 'fixed fines' was explored as part of the survey. There were mixed attitudes to the possible imposition of fixed fines (for example, fines for leaving a job voluntarily or for non-attendance at employment programmes), although customers were more positive about fines for JSA customers who were late to sign on. Seventy nine per cent of JSA customers said fixed fines would make them more likely to arrive on time.
- The qualitative research has shown that customers utilised a range of mechanisms to help deal with the sanction they received, including: receiving financial loans, contributions and other practical and emotional support from friends or family members; applying for and receiving other benefits or allowances; and spending savings. It was felt that the support provided by family and friends reduced the overall impact of the sanction in a number of cases.
- Although the support provided by family and friends was viewed positively, it was often thought to have prolonged the financial impacts experienced by the customers, as they took time to pay off their debt after the sanction had ended.
- Sanctions were thought to have a knock-on impact on family and friends, primarily as a direct impact of the financial support provided – which affected their own finances, as well as increasing the strain placed on some relationships. Children were also thought to pick up on the emotional anxiety of parents.

In summary, the sanctions regime was seen to be largely effective. Overall, few differences were noted between sanctioned and non-sanctioned customer groups in terms of education and disability profiles, suggesting that sanctions did not discriminate against particular groups, such as ethnic minorities, women, those with health problems or disabilities, and those with literacy and numeracy needs. The sanctions regime was also regarded as 'fair' by the large majority of customers, even among those who had been sanctioned. Moreover, there was evidence that sanctions had the ability to change behaviour, with some customers suggesting they were more likely to look for work as a result of the sanction they received.

Although it was felt that, overall, customers tended to understand the general principle of sanctions, a lack of clarity regarding the sanctions regime and the basic conditions of JSA were highlighted. This lack of understanding was particularly pronounced for customers with ESOL needs, literacy needs and learning difficulties. It was felt that improved communication would be beneficial to customers *per se*, but especially for those with specific needs such as literacy problems. One possible explanation for the lack of understanding among these groups is around misunderstandings and comprehension problems. However, this is inextricably linked with the role of the adviser and the wider communication of conditionality; the major policy challenge is to simplify and clarify the process for customers and subsequently raise awareness levels and detailed understanding of the processes. Clear communication of the regime is also deemed important if the policy is to be used as an effective deterrent as, quite simply, if people are not aware of the policy, it is unlikely to encourage them to adhere to Jobcentre rules and regulations.

When sanctions are applied, they do often have a large impact with over two-thirds of survey respondents suffering financial hardship as a result. However, this impact was often said to have been moderated by the practical support provided by friends and family.

The research offers mixed findings on whether fixed fines would improve the current process although they did appear to have a possible impact on getting customers to sign on time. This is one possible strategy for improving the effectiveness of the current regime, coupled with the need for improved communication at various stages of the process. These recommendations will help feed into the review of sanctions and the wider review of the JSA regime.



# 1 Introduction and objectives

## 1.1 Background to the review of sanctions

The Department for Work and Pensions (DWP) is committed to conducting a full review of the sanctions regime as it currently stands. The review was instigated as part of a wider review of the Jobseeker's Allowance (JSA) regime, with sanctions being a fundamental aspect underpinning JSA and New Deal (ND) policy. Sanctions were last reviewed as part of a review of JSA in 2001. This current review was triggered by concern that the process may have become too cumbersome to be effective for some customers.

The JSA rights and responsibilities agenda underpins the benefit's referral and sanctions process. Existing legislation requires claimants of JSA to meet a range of criteria for receipt of benefit, including being available for and actively seeking work. Adherence to these criteria is monitored and enforced through the JSA intervention regime. Those customers who do not make every effort to look for work or to improve their employability may have their benefit reduced or removed for a period of time through existing legislation by way of benefit sanctions or Jobseeker's Directions.

The sanctions process is complex; it contributes to both protecting taxpayers' money and to jobseekers' understanding of and compliance with their labour market obligations. In this respect, it serves to penalise non-compliance and incentivise behaviour that increases the chances of getting work. The overarching principle is that an effective sanctions regime drives behaviour and is focused on compliance and not punishment as its main aim. In essence, the sanctions regime should:

- increase compliance with the JSA conditions;
- be understood (at least sufficiently well to drive compliance);
- be fair and ensure consistency in the way the regime is imposed;
- be proportionate (to the degree of non-compliance);
- be as speedy as is consistent with fairness; and
- be value for money (cost no more than it saves in benefit).

The DWP has already compiled a Qualitative Evidence Base, drawn largely from Employment Service (as was); Department of Social Security (as was); and DWP research and evaluation reports. The evidence base has produced detail of various aspects of the sanctions regime including communication and understanding, the views of staff and the wider impact of sanctions. It has been suggested that Personal Advisers (PAs) do not always communicate to customers what will happen if they fail to comply with conditionality and other requirements<sup>5</sup>, and it has been further suggested that PAs do this in order to maintain a positive relationship with their customers. In terms of wider communication, there is evidence that many claimants do not read leaflets or written material provided by staff and, furthermore, that many claimants do not understand the rules, with a third of customers not knowing why their benefits can be reduced<sup>6</sup>.

Research conducted in 2000<sup>7</sup> found that advisers thought that customer understanding of the regime had increased since the introduction of JSA, although only a third felt sanctioning was effective in enforcing rules. Furthermore, some advisers suggested that they did not sanction due to time or resource constraints as well as fear of assault. For New Deal for Young people (NDYP) specifically, there is some evidence<sup>8</sup> that sanctions were disproportionately applied to more disadvantaged customers, such as those with health problems; ex-offenders; people with drug or alcohol problems; and those without qualifications. Additional research<sup>9</sup> has found that young parents with dependent children are hardest hit by sanctioning.

There are a number of gaps in the current evidence base in terms of both effectiveness and delivery of the sanctions regime. In terms of effectiveness, there is a lack of evidence over whether the regime is encouraging compliance with the Jobseeker's Agreement and modifying behaviour. In addition to this, there is a need for more information on the way in which sanctions are delivered in terms of the potential impacts this may have on customers. There is also little evidence on the true costs of delivery and the extent to which staff understand and apply the regime, and interact with customers. Furthermore, as part of the wider review into sanctions, there is a need to examine attitudes towards the imposition of 'fixed fines'. More specifically, this involves the need to gauge opinion on the idea of imposing fixed fines for sanctionable offences, rather than benefit sanctions under the existing regime. This stems from initial work, in advance of the research to improve the evidence base, and focused on fixed fines and automation as a means of providing improvements to the process.

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<sup>5</sup> Unemployment and Jobseeking, DSS Research Report 62 TSO 1997.

<sup>6</sup> Unemployment and jobseeking after the introduction of Jobseeker's Allowance, DSS Report 99, TSO 1999.

<sup>7</sup> Evaluating Jobseeker's Allowance: a summary of research findings, DSS Research Report 116, TSO 2000.

<sup>8</sup> New Deal for Young People: National Survey of Participants: Stage 1, ESR44.

<sup>9</sup> New Deal for Young People: National Follow-through, ESR47.

All of these unanswered questions have far-reaching consequences for future policy. This evaluation and other analyses of statistical evidence will help build up the evidence base. There are two major strands to the review, including the research programme, which this report directly feeds into. The other major strand includes The Sanctions Evaluation Database (SED) which links Labour Market System (LMS) data with data from the Decision Makers Administrative System (DMAS) which holds details of every referral for a decision. For the first time, this provides the ability to analyse characteristics of JSA claimants who are getting sanctioned (or not).

### **1.1.1 The sanctions process**

The review has considered both entitlements to benefit as well as sanctions for non-compliance with benefit conditions, as in practice, both can result in 'punitive' loss of benefit. It is important to note that there are two main reasons for referral to DMA: JSA labour market entitlement doubts and JSA labour market sanction doubts. Entitlement doubts are questions on which entitlement to JSA depends, for example, if there is a doubt around whether the Jobseeker's Agreement is suitable, or whether the jobseeker is actively looking for work or making themselves available for work. Sanction doubts are questions which may affect the payment rather than the entitlement to JSA, for instance, people who unreasonably cause or protract their own unemployment (e.g. leaving previous employment voluntarily).

Sanctions can either be imposed for a fixed or variable length, each under different parts of legislation. Sanctions that relate directly to 'employment', such as sanctions for misconduct or leaving voluntarily, are variable in form and can be applied for any amount of time between one and twenty six weeks. In contrast, fixed length sanctions apply to customers who do not fulfil their JSA, ND or Work Focused Interview responsibilities. Fixed-length sanctions are for acts or omissions relating to 'employability', for example, employment prospects such as training or seeking work. A fixed sanction can be imposed for two, four, or twenty-six weeks depending on whether the jobseeker has previously been sanctioned. Jobseeker sanctions can be imposed either at the start of a claim or during one.

The two main employment-related sanctions (leaving voluntarily and misconduct) both date from the introduction of Unemployment Benefit in 1913. The main purpose of sanctions is to ensure that jobseekers and lone parents comply with the responsibilities attached to claiming their respective benefits. Appendix D contains details of the sanctions process including detail of referral procedures and sanctions process.

## **1.2 Research objectives**

The DWP commissioned BMRB Social Research to carry out quantitative and qualitative research which looked at the process and impact of the sanctions regime. The main objective of the research was to contribute to the existing evidence base and help direct future policy.

The quantitative study aimed to provide data that was not already available from the SED and identify differences between Jobcentre Plus programmes (JSA, NDYP and ND25+). It also sought to examine customers' understanding and knowledge of the sanctions regime, as well as the potential effects of the threat of a sanction. In its broadest form the qualitative evaluation aimed to explore the impact of the sanctions regime on Jobcentre Plus customers, including mainstream JSA customers, those on ND25+ and NDYP<sup>10</sup>.

Specifically, the research focused on:

- identifying the characteristics, attitudes and motivations of those benefit claimants who are sanctioned;
- awareness and understanding of the sanctions regime;
- exploring the role of sanctions in the benefit regime among sanctioned and non-sanctioned customer groups;
- investigating the degree to which sanctions act as a deterrent, looking in detail at the overall impact of the 'threat' of sanctions;
- the sanctioning process, particularly customers' experiences and understanding of the process;
- customers' and advisers' views on the sanctioning regime and process; and
- the impact of sanctions on customers and their families.

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<sup>10</sup> The study also looked at lone parent customers. However, the lone parent element of the research has been reported on separately and therefore this report focuses exclusively on the impacts of the sanctioning regime on JSA, ND25+ and NDYP.

## 2 Methodology

### 2.1 Quantitative survey

For the quantitative survey, a two-stage methodology was adopted to meet the project target of 3,000 interviews, utilising both telephone (Computer Assisted Telephone Interviewing (CATI)) and face-to-face methods (Computer Assisted Personal Interviewing (CAPI)). In total, 3,017 interviews were achieved, i.e. 2,493 telephone interviews and 524 face-to-face interviews. The average interview length was 15 minutes and the main fieldwork took place between 21 February and 11 May 2005.

The sample universe consisted of all Jobseeker's Allowance (JSA) and New Deal (ND) customers who were claiming JSA at some point within the reference period April to June 2004. The timing of this reference period allowed fieldwork to be conducted in early 2005. Within this overall claimant group, individuals who had been sanctioned or referred for sanctioning within the same time period (April-June 2004) were identified. Three main groups were therefore highlighted:

- Not referred for a sanction
- Referred, but not sanctioned
- Referred and sanctioned

It was hypothesised that each group would have different experiences of the sanctions regime and would therefore have different views on the process and delivery. Within this universe the population can be split further between JSA, ND25+ and NDYP customers.

The sample was selected in order for BMRB to achieve about 2,000 interviews with those not sanctioned, approximately 500 interviews with those referred but not sanctioned and approximately 500 interviews with those referred and sanctioned. The NDYP and ND25+ groups were boosted so that they represented around 15 per cent of the overall sample (30 per cent in total). This compared with around five per cent if left to their natural universe proportions.

Boosting the above groups allowed for more scope to carry out separate analysis of JSA and ND customers as well as the sanctioned versus non-sanctioned groups. The resulting data were weighted so that they reflected the natural universe proportions. The findings are therefore representative of all JSA and ND customers.

## 2.2 Qualitative research

In total, 70 depth interviews were carried out with JSA and ND customers who had received a sanction and the interviews were divided to include a mix of JSA, ND25+ and NDYP. The customer interviews were carried out across four areas – North of England, Midlands, South and South Wales.<sup>11</sup>

Quotas were set to include respondents who had complied and those who were living with a sanction. The sample is weighted towards those who complied, with a total of 45 respondents identifying themselves as complied and 25 as living with a sanction.

Additionally, the respondents were sampled to include a mix of demographic variables, such as:

- age;
- gender – the sample was weighted towards male respondents as this reflects the natural distribution of Jobcentre Plus customers;
- ethnicity – mix of white, Asian and black customers;
- health problems; and
- new and repeat claimants.

A precise breakdown of the sample characteristics can be found in Appendix B.

In addition to the interviews carried out with customers, four group discussions were also conducted with staff, including: three focus groups with JSA and ND advisers in South London, Manchester and Cardiff; and one focus group with Decision Making staff, including sector decision makers and managers (regional and team) from London, the South West and South Wales. The qualitative fieldwork took place between May and June 2005.

It is important to note, that while the survey research included interviews with a range of customer types, the qualitative research focuses exclusively on sanctioned

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<sup>11</sup> As would be expected, the qualitative research aimed to explore in depth the experiences and views of respondents, seeking to understand how and why rather than how often and how many. The qualitative sample was smaller in size than the quantitative sample (as is characteristic of qualitative research) and the sample was not representative of the larger population. Rather, respondents were 'purposively' selected to generate a specific sample of interest.

customers. As a consequence of this, the quantitative research looks at the sanctioning regime more broadly from a range of perspectives, whereas the qualitative work focuses more specifically on the experiences of sanctioned customers and, as a result, draws out the difficulties and problems encountered by customers and staff.

## 2.3 Format of report

Separate detailed in-house reports have already been produced for the DWP and this document provides a summary of the research findings from these two studies. The findings have been summarised in the following sections:

- Characteristics of sanctioned customers
- Knowledge and understanding
- The sanctions process
- Impact and responses to sanctions
- Conclusion



## 3 Characteristics of sanctioned customers

### 3.1 Survey demographics

There were no significant differences between sanctioned and non-sanctioned customers in terms of gender, ethnicity and illness/disability. It is also possible to draw direct comparisons with data from the Sanctions Evaluation database (SED). More specifically, in terms of gender, 72 per cent of sanctioned customers were men compared to 78 per cent of the national sanctioned population (Department for Work and Pensions (DWP) data up to August 2005). Eighty seven per cent of sanctioned customers were white compared to 82 per cent of the national sanctioned population. Furthermore, disability profiles were consistent, with 21 per cent survey respondents reporting an illness or disability compared to 18 per cent of the national sanctioned population.

Sanctioned customers were, however, younger than their counterparts who had been referred (but not sanctioned) or not referred at all – specifically, 46 per cent of sanctioned customers were aged 16-24, compared with 36 per cent of referred and 29 per cent of non-referred customers. Once again, this supports data from the SED, where 48 per cent of the national sanctioned population were aged 16-24.

The qualitative data reflects this, with advisers suggesting that younger customers (those aged between 18-24 years) were more likely to be sanctioned in comparison to older claimants. This was generally felt to be a consequence of their attitude towards sanctioning, which was said to be more relaxed than those from other groups. Advisers suspected this attitude was a result of their personal circumstances, for example, the fact they often lived at home and were being financially supported by their family.

It is not surprising that the younger age profile of sanctioned customers results in differences in marital status. Two-thirds of sanctioned customers were single, compared with around a half of those not referred (51 per cent) or referred (54 per cent).

### 3.2 Are sanctioned customers more disadvantaged?

Key educational measures were used to establish whether sanctioned customers were more disadvantaged than other customers. The data show that sanctioned customers as a whole were no more or less likely to have qualifications, or literacy or numeracy difficulties. They were, however, more likely to have said they had a learning difficulty<sup>12</sup> (15 per cent versus 11 per cent of other customer groups<sup>13</sup>). While this latter finding is statistically significant, overall there would appear to be little difference between the groups.

Although there would appear to be no 'major' differences between the groups, there is a clear distinction between Jobseeker's Allowance (JSA) and New Deal (ND) customers. JSA customers who had been sanctioned show no differences on any of these items, when compared with referred or non-referred JSA customers. However, ND customers who had been sanctioned were more likely to report learning difficulties (22 per cent compared with 14 per cent of ND customers who had not been sanctioned or referred) and were less likely to have qualifications (68 per cent compared with 77 per cent). The differences for literacy and numeracy problems were not significant, although within the sanctioned group ND customers were more likely to have literacy and numeracy problems compared to JSA customers. The figures for referred customers were not significantly different from either the sanctioned or non-referred.

Overall, while there is no evidence to suggest that JSA sanctioned customers are more disadvantaged, this does appear to be the case for ND customers and this is recognised in previous research. For New Deal for Young People (NDYP) specifically, there is some evidence<sup>14</sup> that sanctions were disproportionately applied to more disadvantaged customers, such as those with health problems, ex-offenders, people with drug or alcohol problems and those without qualifications.

### 3.3 Employment barriers

The survey explored whether customers faced any barriers in the labour market, for instance related to health (physical and psychological), childcare or qualifications. The key point to note was that the data were very similar between sanctioned and non-sanctioned customers. The major barriers faced by all three groups (sanctioned,

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<sup>12</sup> A learning difficulty was explained to customers as something which meant they may have received special help at school, had a statement of Special Educational Needs or attended a Special School. This also includes general difficulties with learning such as dyslexia.

<sup>13</sup> The difference between sanctioned and non-sanctioned customers is statistically significant, but the difference between sanctioned and referred customers is not.

<sup>14</sup> New Deal for Young People: National Survey of Participants: Stage 1, ESR44.

referred but not sanctioned and non-referred) were lack of suitable jobs, lack of qualifications and transport difficulties. Sanctioned customers were, however, more likely to say that transport was a potential barrier than those not referred – both in terms of general difficulty (41 versus 35 per cent) and the cost of transport being prohibitive (27 versus 21 per cent). Sanctioned customers were also more likely to mention lack of qualifications or experience as a barrier to work. Some customers said that they faced *no* barriers to employment at all, although this proportion was lowest among sanctioned customers (eight per cent). This indicates that although relatively few individual differences were found, sanctioned customers held a perception that they faced more barriers in the labour market.

In the qualitative work, literacy and English for Speakers of Other Languages (ESOL) needs were also cited as a further barrier to full-time employment in addition to those mentioned above. Customers with these types of problems had difficulties reading and writing which limited the type of work they could undertake, although in some cases these individuals were tackling these problems with courses such as Learn Direct.



## 4 Knowledge and understanding

The two strands of research examined staff and customer knowledge of the sanctions process. In particular, the qualitative work looked at customers', advisers' and Decision Makers' awareness and knowledge of the sanctions regime. The quantitative survey looked at customer knowledge of the benefit regime and awareness of rules and obligations that must be followed when claiming Jobseeker's Allowance (JSA), as well as conditions under which benefit payments could be reduced or stopped.

### 4.1 Staff awareness and understanding

Advisers who took part in the research generally felt confident about their knowledge and understanding of the sanctions regime overall, including their knowledge of specific details of the regime. Advisers mentioned being aware of a number of aspects of the regime, including: details of variable and fixed sanctions; the range of reasons for imposing a sanction; the possible length of a sanction; decision making and appeals procedures; and entitlement to hardship funds or other support following a sanction.

However, advisers did mention areas where they required more information: Codes for referral were highlighted specifically as being confusing and advisers also suggested they lacked information about appeal procedures – findings from the customer and Decision Making and Appeals (DMA) research would substantiate this view. Advisers also mentioned possessing a general lack of information and understanding regarding why they were required to carry out certain tasks, such as closing a claim on referral to DMA. It was felt that it might be easier to carry out tasks if they fully understood the reasons behind it.

In contrast to advisers' assessment of their own knowledge, the DMA staff interviewed raised concerns about the extent and clarity of adviser knowledge and felt overall that advisers tended to lack knowledge of the programme. DMA staff also highlighted inconsistencies in delivery between areas, an issue they perceived as

being symptomatic of the variation in knowledge of the regime across regions. However, inconsistencies in adviser knowledge were not identified in this study according to area.

Both DMA staff and advisers acknowledged the intricacy and breadth of the sanctions regime and the difficulties this created in developing an awareness and understanding of the whole regime. In fact, advisers suggested they would be '*surprised*' if anyone was aware of the entire process. The level of interest and importance placed on the regime by advisers was also thought to act as a barrier to understanding and knowledge (as well as to the delivery of the programme) according to DMA staff. This lack of interest and importance was in part thought to be a result of the lack of emphasis placed on sanctions in the Jobcentre compared to the placing of customers into work, which was seen as a greater priority.

#### **4.1.1 Gaining information and knowledge**

On the whole, advisers suggested they learnt about the sanctions process 'on the job' rather than through formal training sessions, although some formal workshops carried out by DMA staff regarding the decision-making process were mentioned. Primarily, advisers suggested they had developed their knowledge by liaising and discussing issues with colleagues and by using the intranet guidance, for example, advisers mentioned using the DMA help menu available on the Labour Market System (LMS). This informal method of training was mirrored across the areas covered in this research although, as would be expected, formal DMA training sessions received varied between Jobcentres.

On the whole, advisers were happy with this method of gaining knowledge. Sharing information with colleagues was thought to work extremely effectively, with advisers suggesting there was generally always someone available to answer any queries.

Some problems were noted by both advisers and DMA staff regarding this informal style of training, which in some instances they believed contributed to a lack of knowledge on the part of advisers. One criticism was that it was learning by experience, by '*trial and error*', which was thought to result in some inaccuracies occurring and an inconsistent approach to delivery. In particular, problems were highlighted with the use of the intranet, as although it was thought to be useful once the information was found, it was often said to be difficult to identify specific information quickly, especially if you were not precise and clear about what you required. Furthermore, this meant the user needed to have a certain level of knowledge before the system could be used effectively.

Another problem identified with the intranet was that it put the onus on the adviser to actively seek out information, rather than being a passive recipient of formal training. Although in principle this was not seen as a problem, it was felt that adviser workloads meant it could be difficult to find the *ad hoc* time to engage in training.

## 4.2 Customer understanding of the rules linked with claiming benefits

The majority of respondents felt that they had some understanding of the rules they had to follow when claiming JSA. Almost half (49 per cent) of all respondents believed they had a good understanding of the rules, while 32 per cent claimed a fair understanding. However, a minority felt that they had little (14 per cent) or no (four per cent) understanding of the rules. This supports previous research<sup>15</sup> that found significant minorities lacked understanding of the rules associated with claiming JSA, with 14 per cent of respondents claiming little or no understanding of the rules (similar to the 18 per cent in this survey).

There were a number of sub-group variations of note and lower levels of understanding were exhibited by those with literacy problems, those of non-white ethnic origin and new claimants. Generally speaking, lower levels of literacy were associated with customers of non-white ethnic origin, although when combined, the effects were compounded: 47 per cent of non-white respondents with literacy problems claimed to have little or no understanding compared with 18 per cent of all survey respondents. These differences may also be linked to other issues beyond the scope of this study, such as language and cultural issues.

Awareness and knowledge of benefit rules were thought to be linked to customers' experience of the Jobcentre. For example, it was felt by advisers and customers alike that more experienced claimants, such as repeat claimants, demonstrated a greater awareness of Jobcentre Plus rules, especially regarding circumstances that could lead to a sanction being imposed. In contrast, those with less experience of the Jobcentre, such as new claimants, often exhibited a lower awareness and knowledge. It is not surprising therefore, that customers sanctioned for leaving voluntarily (a group who often had minimal contact with the Jobcentre prior to being sanctioned), tended to display a limited awareness of the regime. As one respondent explained, they were not aware they could be sanctioned for leaving voluntarily until it occurred; rather they thought sanctions only applied to people who worked and signed at the same time. Older customers who left long-term employment as a result of redundancy or early retirement were also thought to be less knowledgeable.

*'When it first happened it came out of the blue. No one ever mentioned it to me. I know you could be punished but I thought it was if you were to like fiddle the dole if you were working and you know, maybe in a bar and I thought you were punished that way... I was being punished for having an opinion. If I want to leave work, then I can leave work and why is someone punishing me for making a personal choice – it seemed really crazy'.*

(Customer, ND25+, aged 25-34, North of England)

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<sup>15</sup> Smith *et al* (2000) Understanding the impact of Jobseeker's Allowance. DWP Research Report 111.

Specific knowledge of the rules associated with JSA claims varied. The most commonly mentioned rules (unprompted) were that they must be actively seeking work (38 per cent) and that they must sign on/visit the Jobcentre every two weeks (29 per cent). One in five (21 per cent) either said that they did not know of any rules (16 per cent) or could not provide an answer (five per cent). Awareness of specific rules was also lower among the groups already identified as having low general awareness levels (non-white, those with literacy problems).

### 4.3 Awareness of sanctionable offences

When asked, again unprompted, what they thought would happen if someone claiming JSA did not agree to certain conditions or rules, three-quarters (76 per cent) said that their benefit would be reduced or stopped, indicating high awareness levels of the general concept of sanctions. Once again, customers with English for Speakers of Other Languages (ESOL) and basic skill needs exhibited less knowledge. This was substantiated by the qualitative findings, which found that although customers were often unaware of the term 'sanction' itself, they were generally found to be familiar with the principle of sanctioning *per se*, in that they understood benefit could be affected if certain rules and regulations were not adhered to, as one customer explained: *'If you don't do what they say, you are stopped from drawing [benefit] basically'*.

While general knowledge was high, awareness of the precise detail was lacking for many respondents and this was identified in both the quantitative and qualitative research. When asked, again unprompted, about conditions that would lead to their benefit being reduced or stopped, the most frequently given answer – by far – was working and not declaring earnings (58 per cent). One of the most common reasons for a sanction – leaving employment voluntarily – was mentioned by only two per cent. Over one in 10 (11 per cent) were unable to mention any possible reasons. The answers given by the three groups (sanctioned, referred but not sanctioned and non-referred) were very similar, which suggests that the personal experience of sanctions has not increased awareness of possible reasons for sanctioning among sanctioned respondents.

The qualitative research suggested that although there was some awareness of the range of possible reasons for being sanctioned among customers, overall knowledge tended to be narrow. The main reasons mentioned by customers were: working and signing, failure to sign; and not actively seeking work. Customers also mentioned leaving employment voluntarily as a reason for being sanctioned, but this should be treated with caution as this was usually only mentioned by those who received a sanction for this reason.

*'I only know what I've learned from experience...you leave your job voluntarily then you will not get dole...I didn't know they'd completely stop it...So it was a bit of a shock for them to say we're not going to pay you any more.'*

(Customer, JSA, aged 35-44, South Wales)

Although there were few differences overall in the conditions mentioned by sanctioned and non-sanctioned groups, there was a link with the reasons for the individual being sanctioned. For example, 60 per cent of those who said they were sanctioned for not declaring income mentioned this as a condition they were aware of. However, only 20 per cent of customers sanctioned for leaving employment voluntarily mentioned this as a possible offence.

#### 4.4 Communication of sanctions (the general principle)

Six in ten respondents (59 per cent) said they had been told that their benefit may be reduced or stopped if they did not agree to certain conditions when they made a claim for JSA. Sanctioned respondents were more likely to recall being told: 70 per cent compared with 61 per cent of referred and 58 per cent of non-referred respondents, although it is interesting to note that 30 per cent of sanctioned customers claimed they were not told about the possibility of sanctions.<sup>16</sup> Overall, non-white respondents and those with a literacy problem were less likely than average to say that they were told about benefit sanctions (both 52 per cent), although these differences applied to the sample as a whole and not when sanctioned customers were analysed separately.

Those who said they were told about sanctions were then asked how well the adviser at the Jobcentre had explained the conditions for claiming JSA; nearly nine out of ten (87 per cent) said they understood the general concept of sanctions when it had been explained to them.

Despite this general awareness of the principle of sanctioning, the level and detail of the knowledge exhibited regarding the regime was often limited and although there was a degree of awareness regarding the possible reasons for being sanctioned, there was certainly a lack of awareness and understanding regarding specific details of the regime, such as the possible length of a sanction; the types of benefits that could be affected; or the amount of benefit stopped.

##### 4.4.1 How sanctions were communicated

Customers were often unclear about exactly where they received their information from regarding sanctions and a range of sources were highlighted, including:

- word of mouth from friends and family;
- verbal and written information provided by the Jobcentre and Benefits Agency at various stages of the process, including some recollection of development of the Jobseeker's Agreement, although for the most part this was not mentioned;
- verbal and written information provided by training providers; and importantly
- through their own experience(s) of being sanctioned.

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<sup>16</sup> However, it should be borne in mind that sanctioned respondents may be referring to the time when they were actually notified of their sanction.

It is very difficult to assess how much information customers had prior to the sanction(s) being imposed, and it is possible that much of their knowledge, particularly that relating to the reasons for being sanctioned, comes from direct experience.

According to advisers, the sanctions regime was being communicated to customers at a series of key stages during the process, including at the point of making a new claim, at entry to New Deal (ND) and at the stage of being referred to training. In addition, key information was also said to be communicated on an *ad-hoc* basis as required, for instance, advisers were said to mention 'refusal of employment' at the point of submitting customers to a job and 'fail to attend' at the point of arranging an interview. Communicating the entire regime at any given point was seen as being unrealistic as a result of its complexity and, as a consequence, advisers tended only to mention what they deemed to be the key aspects, such as the key reason for being sanctioned, as well as the most relevant points at any given time depending on the circumstances, for example the need to attend training.

At these points of communication, advisers believed they were clearly informing customers of their obligations verbally and, in some instances, also providing written documentation, usually in the form of a leaflet or letter. Written information was also said to be included in the customer's signing book<sup>17</sup>, which was said to outline their main responsibilities and details of JSA. However, a note of caution was raised by some advisers regarding the signing book as they felt it lacked some of the key information. As one adviser stated: *'I also think we have to be careful about what we say is in the ES40 book, because it's not all in there'*.

Advisers also emphasised the importance of the customer contacting the Jobcentre should they be unable to follow through on any of the conditions expected of them, such as attending an interview or signing on.

Advisers in this study suggested they were confident that, on the whole, customers were provided with sufficient information and that they understood what was communicated to them. On the contrary, it was generally found that customers did not believe they had been provided with adequate information about the sanctions regime, particularly relating to the possibility of being sanctioned; the reasons that could lead to it occurring; and what the consequences could be. Moreover, in some instances, customers suggested they only became aware of sanctions as a policy at the point of being referred or receiving a sanction and were adamant that sanctions had not been mentioned prior to this.

However, there were customers who recalled being made aware at the time of making a claim that there were certain circumstances which could lead to a sanction being imposed. It was also apparent that, in some cases, customers had also been made aware of more specific responsibilities regarding a particular action, such as attending training, and they believed they had been left in no doubt about the

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<sup>17</sup> ES40 booklet.

consequences of not adhering to the rules. In some instances, customers also recalled being made aware of alternative allowances by advisers following a sanction, although this information had also been sought out on their own from other sources, such as at the Benefits Agency or through friends.

#### 4.5 Communication of sanctions (among sanctioned customers)

There was confusion for some over whether they had been sanctioned or not; some customers in the qualitative sample did not believe they had been sanctioned, while four per cent of survey respondents said they had not been sanctioned (although they had received a sanction according to sample records). Furthermore, there was mixed understanding of the reasons for sanctions: 74 per cent understood why they had been sanctioned while 26 per cent did not or were unsure. Once again, literacy problems were highlighted, with understanding lowest among those with literacy problems (and more specifically, women).

Whether or not customers understood the general rules associated with claiming benefit impacted on understanding of one's own sanction: 44 per cent of those who had little or no understanding of the general rules for JSA said that they also did not understand the specific reason for their own sanction.

There was a general level of confusion regarding the precise reasons why customers had indeed been sanctioned; six per cent said they did not know why they had been sanctioned and a further 18 per cent gave reasons that could not be classified into the main list of sanctionable offences. Qualitative work also highlighted confusion, especially relating to those who (it appears from the research evidence) were sanctioned as a result of leaving employment voluntarily. In these cases, respondents often assumed they had received a sanction for reasons such as moving house, rather than because they left their job and, although others suspected they had been sanctioned because they left their job, they were unsure of the details for this. Furthermore, sanctions imposed for leaving voluntarily were often not always perceived as a sanction by the customer, rather as a delay in receiving benefit following the end of their employment. In addition to this, other customers were categorical that they had not received a sanction at all.



# 5 The sanctions process

The process of sanctioning customers is explored in this chapter of the report; specifically it focuses on the circumstances leading to a sanction; the referral process; and the experience of receiving a sanction, including being informed of the decision and the decision-making and appeals process.

## 5.1 Circumstances leading to a sanction

Customers were engaged in a range of activities prior to being sanctioned which included seeking employment, Jobcentre training, and paid employment. A number of reasons for being sanctioned were highlighted by customers and these are outlined below.

### 5.1.1 Leaving work voluntarily

Customers mentioned a number of reasons for leaving their job voluntarily and these generally related to their views and experiences of the job, or as a result of more practical issues they had encountered. In terms of their experiences and views, customers mentioned leaving employment as a result of such issues as bullying, stress, and due to a dislike of colleagues, managers or the type of work involved. More practically, low wages, hours of work, travel time and health problems, such as having a bad back, also resulted in customers leaving their employment.

In the main, respondents who left their job voluntarily had little prior contact with the Jobcentre until they made a claim and so were unaware that leaving their job of their own accord would affect the receipt of any benefits.

### 5.1.2 Not signing on or failing to attend an interview

A number of claimants suggested they had received a sanction for not turning up to sign on or attend an interview at the specified time. Explanations for this included:

- forgetting to attend or becoming confused regarding dates and/or times of signing, for example, one respondent turned up to sign on a bank holiday only to find the Jobcentre closed;

- illness on the part of the respondent or a family member;

*'Well I know the reason why they stopped my money, because I wasn't there to sign on...But yes, unfortunately at the time I was ill so I couldn't make it down. I think I made it down the next day, I can't quite remember how...made it down as soon as I could. Apart from that, no I don't know anything.'*

(Customer, JSA, aged 25-34, South Wales)

- difficulties in travelling to the Jobcentre, for instance it being too far to travel or due to a lack of transport.

In general, this group of respondents failed to immediately inform the Jobcentre or their advisor about their non-attendance, deciding instead to attend the Jobcentre the next day or wait until their next signing-on date. There was a general lack of awareness that one failure to attend would lead to them being sanctioned. In contrast, there were exceptions where the customer said they had contacted the Jobcentre to inform them of the situation and the reason why they would be unable to attend and yet they still received a sanction<sup>18</sup>.

### 5.1.3 Not attending training

As with leaving voluntarily, reasons for non-attendance of training tended to relate either to direct experience of the training course or as a result of practical issues. For the most part, those who left the course due to their direct experiences on the course did so as a result of their feelings towards other customers on the course and, in some cases, customers suggested they were being bullied. In addition to this, other respondents had simply left the course as they felt it was ineffective and not teaching them any new or worthwhile skills.

Practically, customers suggested they chose not to attend the course due to travel difficulties – primarily because it was deemed to be too far and difficult to travel to. One respondent suggested the journey took between 45 to 75 minutes and required them to travel on two buses. Illness was another reason given for non-attendance, for example, one respondent was informed they had to leave the course despite wanting to remain on it as they had exceeded the number of sick days they were allowed. They suggested they were unaware they were required to provide a sick note as proof of illness to avoid being asked to leave the course or receive a sanction. Ultimately, they returned to the course following a sanction.

Again some customers had visited the Jobcentre to discuss the problems they were having prior to leaving, as in the case of bullying, but said they were told they would need to continue with their current option and 'stick it out' or face being sanctioned, which they ultimately decided to do.

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<sup>18</sup> Although respondents referred to this as a reason for receiving a sanction, it should be noted that this is an entitlement issue.

### **5.1.4 Not attending job interviews or refusal of employment**

Generally, the customers in the 25+ age group who took part in this study had a clear idea of the type of work they were looking for and, in some instances, had been sanctioned for not taking a job offered to them. Customers suggested they often felt unhappy about what they perceived as being '*forced*' into a job they deemed to be unsuitable and did not want.

In one instance, a male respondent had been sanctioned for not applying to a job they were submitted to, although they believed they had contacted another employer and made a genuine mistake. In other cases, customers suggested they did not apply as they felt they lacked the required experience or because they had lost the application form.

### **5.1.5 Liaising with Jobcentre advisers**

As outlined in the previous sections, issues relating to the reason for being sanctioned were often discussed in advance with advisers, particularly issues relating to employment or training courses. A number of customers who were experiencing problems with training courses believed their advisor had been unhelpful and shown a lack of support when approached about the problems experienced. In contrast, customers often came away from these meetings with the impression that advisers sympathised with the difficulties they were experiencing and for the reasons they did not want to follow a course of action. It was also suggested by some customers that advisers had informed them their sanction was unlikely to be allowed based on the reasons they gave. Certainly, respondents suggested after speaking to an adviser they were often under the impression they would not be sanctioned, although this later turned out not to be the case. Advisers also mentioned having discussed issues with customers prior to the sanction and some suggested they were surprised by the ultimate decision.

## **5.2 Sanctions referral**

### **5.2.1 Being informed of referral to the DMA**

According to respondents, customers were informed about sanction referrals in two main ways: either by letter or face-to-face by an adviser or training provider, and this was said to depend on individual circumstances, such as whether the customer was in the Jobcentre or training centre at the time of the non-compliance; or whether they visited the Jobcentre shortly after this occurred, as was often the case with failure to attend or sign on. It was unclear whether those who received verbal communication also received a letter, as customers and advisers were uncertain about this. Importantly, not all respondents who took part in the study recalled being informed about the sanction referral either verbally or via a written communication.

*'The only way I found out is when I hadn't turned up to go to my Gateway course. And then they said it was going to go up to a decision maker to see if I could have my money or not. That's the only reason why I found out.'*

(Customer, JSA, aged 18-24, South Wales)

When the referral was discussed face-to-face, advisers suggested they informed the customer that their case would be referred to a decision making team and also provided information on whether their benefit would be suspended prior to or following the decision. Those who said they had received letters about the sanction referral generally felt the correspondence had made them aware of the reasons why the referral was taking place. Respondents were generally not able to say whether these letters came from the Decision Making and Appeals (DMA) Team or the Jobcentre, and customers were often confused between this letter and the one informing them of the decision.

Overall, people felt that there was a lack of information given about the decision making process and what would happen following this, even in the case of those people who were informed that the decision had been referred to the DMA. This was borne out by the lack of awareness displayed by some customers regarding their experiences (see Chapter 4).

## **5.2.2 Providing information to the DMA team**

In order to make a referral, advisers are required to complete a form which is then sent to the DMA team. Advisers are able to accompany this with any relevant case notes or information they have saved on the Labour Market System (LMS). DMA staff suggested they provided stencils for advisers to use, in order to help guide them on the type of information they required. At this stage of the process, customers were asked to make a statement outlining the reasons for their non-compliance and they were also requested to back this up with any appropriate supporting evidence, such as medical documents or letters from employers.

Recall of making a statement and providing evidence was low among customers who took part in this study. In line with this, advisers suggested that approximately only 50 per cent of referred customers complete this process. Where customers recalled providing information, they mentioned being asked to write down the reason for non-compliance by their advisers or in a letter, and in some instances they referred to this as a 'statement'.

*'When I was up there, you get a form to fill in. You have to write down and explain everything. Like I had to leave immediately, blah, blah, blah, blah, blah. And then they just say, "we'll send it off and refer it to the decision makers" and then you find out whenever you get the letter.'*

(Customer, JSA, aged 18-24, South Wales)

The help provided by advisers in carrying out this task was acknowledged by customers, some of whom suggested the adviser had enabled them to outline the reasons more clearly and professionally which they had appreciated. Respondents were also often aware their previous employers (where relevant) might also be contacted in order to provide information.

DMA staff suggested it was part of their role to ensure they collected as much information as possible regarding the sanctioned case in order to make the decision, but felt the information provided by advisers and, in some cases, customers was often inadequate. In order to gather the information required, DMA staff endeavoured to collect additional information by writing out or contacting the customer or adviser. However, it was said this could be time consuming, especially as they often experienced difficulties getting in touch with the Jobcentre. Therefore, in order to complete the decision within a reasonable amount of time, they felt situations arose where they had to proceed without the level of information they would have ideally liked and they believed they were often criticised for this.

*'There are forms that need completing and there will be information missing...and that delays the process. Either the whole case has to go back or on the telephone, they can't get through now because all the Jobcentres have got a centralised switchboard, which we never get through to who actually referred it...The decision makers' job is to gather the evidence and weigh up the facts of the case. It might be a form that's missing, it might be a statement from the client. It might be a statement from the employer, you know. But the decision maker will be criticised for making the decision if they didn't have that information. Or if they hadn't tried to obtain it.'*

(DMA group)

Advisers suggested that customers might be more inclined to provide information and respond to requests for information more quickly if their benefit was suspended prior to the decision being made rather than afterwards, as they felt they had little vested interest in assisting the process to move forward under the current rules.

The paperwork required for the referral process was primarily paper-based as opposed to being an electronic-based system and this was seen as being both 'cumbersome' and 'archaic' by DMA staff and advisers alike. This said, DMA staff acknowledged the legal reasons underpinning this. The process was also criticised as a result of the volume of paperwork it generated which advisers suggested was onerous and increased their workload.

Following the submission of information, contact between the customer and Jobcentre advisers regarding the DMA referral was said to be limited. Where it had occurred, customers usually approached their adviser in order to discuss or clarify any letters they received. In some instances, customers who had been sanctioned before suggested they tended not to liaise with their adviser as they had found them to be unhelpful in the past.

## 5.3 Being sanctioned

### 5.3.1 Hearing about the decision

The Sanctions Evaluation Database (SED) data suggests that 33% of fixed or variable sanctions made since April 2000 received an adverse decision. The percentage of fixed sanctions receiving an adverse decision was higher than that for variable sanctions (61 per cent and 33 per cent respectively). Additionally, SED data states that the percentage of entitlement-based DMA referrals to receive an adverse decision was 47 per cent overall.

Sanctioned claimants were informed of the outcome of their sanction referral via an automated letter sent from the Jobcentre following receipt of the decision from the DMA team. Again, there was confusion among the respondents regarding the letter, particularly concerning whether they had actually received the letter or not, who they had been contacted by – whether it was the DMA or the Jobcentre – and details of what the letter contained. Those who did not recall receiving a letter suggested they often first heard about the sanction when their benefit was stopped.

Where customers exhibited an understanding of the letter, they generally said it included information on the reason for the sanction; the length of the sanction; and on their right to appeal – although not on how to go about this. Others thought it had also mentioned how much benefit they would lose in total or the percentage of benefit to be sanctioned, although they suggested it had not provided information on how other benefits would be affected such as Housing Benefit and Council Tax Benefit. They also requested more information on what steps to take following the decision.

*'They did tell you how long because I had to wait before my money started to come through. Because they also didn't tell me that me Housing Benefit and me Council Tax Benefit was going to get stopped as well. Which it did.'*

(Customer, JSA, aged 18-24, North of England)

In contrast, other customers had been completely unable to understand the details of the letter, finding it vague and confusing, particularly those with literacy and English for Speakers of Other Languages (ESOL) needs. In these cases individuals were often unable to understand the content of the letters without relying on friends or family for support. Jobcentre advisers also highlighted problems with the letter which they said was overly complicated and lacking in clarity, which meant customers (and in some cases advisers) were unable to understand the content as a result.

Advisers usually received notification of the decision once the DMA team returned the decision to the Jobcentre – this information was either provided in paper form, or in some cases was input onto the system. If necessary, advisers suggested they were able to contact the decision maker for an explanation, but contact was said to be minimal.

The decision-making process was often criticised for taking too long and was said in some cases (where benefit was said to have been immediately suspended<sup>19</sup>) that the sanction had lapsed before the decision had been made. DMA staff were also very conscious of the length of time it took to make a decision, but as outlined above, felt this was often unavoidable in cases where they needed to gather additional information.

### *Views on the fairness of the decision*

Advisers also took issue with the accuracy and fairness of the decisions made on some occasions, as did customers, as they were often thought to be inconsistent and rather arbitrary, with different decisions being made for seemingly similar cases. There was also a feeling of annoyance by some customers regarding the decisions, particularly where people believed they had genuine reasons for non-compliance, such as in the case of being bullied at work or on a training course or visiting the hospital (see Section 4.1).

*'Sometimes get the idea that one person submits it, and someone - you submit - identical thing. And a decision is taken against one person, but not against the other. This is what happens - sometimes it seems a bit arbitrary on the part of the decision makers.'*

(Adviser, South of England)

For those who felt they had not been made aware of the process of sanctioning prior to the sanction, there was disappointment that it had not been clearly explained to them at the start. In particular, those who had left work voluntarily and were unaware of the rules applicable to sanctions often felt people needed to be informed in advance that decisions made regarding leaving employment would affect their access to benefits.

### **5.3.2 Decision making and appeals**

Although customers were aware that the decision was being made by a separate team, knowledge and understanding of the actual process tended to be narrow, with customers being generally unclear about exactly what had happened; how the decision had been made; and how the decision should have been communicated to them. For example, one respondent suggested they were completely unaware about who or how the decision was made and, as far as they knew, stated it could have been made by *'50 people down the pub'*. Interestingly, this lack of knowledge was often coupled with a lack of curiosity or interest in this process by customers.

Contact with the DMA team was minimal according to customers, especially verbal contact, with communication usually taking place via the adviser where it had occurred.

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<sup>19</sup> Entitlement decisions are suspended immediately.

*'I have contact with my Jobcentre, I don't get it from whoever has made the decision. You know, it is kind of relayed through my local Jobcentre so no contact with the decision makers at all.'*

(Customer, ND25+, aged 25-34, North of England)

The findings from the DMA research supported this: detailed explanations via the 'phone were said to be minimal – DMA staff suggested the expected volume of detailed explanations had never been fully realised and recently had reduced further. They suggested that it was rare for cases reaching appeals stage to have been through all the possible stages of the process – basic explanation, detailed explanation, reconsideration and appeal.

However, some contact was noted and this usually took place in order to provide additional information or to receive a detailed explanation of the decision. Where customers had been in verbal contact (face-to-face and via the 'phone), they often found the meeting rushed and the information they received difficult to understand. Customers were also unsure exactly who they had liaised with, although they felt sure it was not the Jobcentre and, in some instances, assumed this to be someone from the Benefits Agency.

It was often said by customers that they wanted the opportunity to meet with DMA staff directly, in order to explain their circumstances and reasons for non-compliance. There was a feeling of unfairness at being judged by people they had not had contact with, and felt they would be able to explain their situation more easily and clearly if they were given the opportunity to do this verbally, either face-to-face or via the 'phone.

### *Reconsiderations and appeals*

It should be noted that customers were often unable to clearly distinguish between a reconsideration and an appeal, and it is possible customers underwent a reconsideration rather than an appeal<sup>20</sup>, despite believing it to be the latter. This assumption is based on the description given of the appeal by customers, which more closely reflected a reconsideration. The SED data suggests that since April 2000, between 10 and 15 per cent of original decisions are reconsidered for both fixed/ variable and entitlement cases.

As previously mentioned, findings from the customer and DMA research suggest that the decision-making process often skipped from basic explanation to the reconsideration or appeals stage, and this premise is supported by the minimal contact said to be occurring between customers and DMA staff leading to the

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<sup>20</sup> Reconsideration is the process by which a Decision Maker can revise, supersede or determine no change to an outcome decision. A customer can appeal against an outcome decision as well as/instead of requesting reconsideration. On receipt of an appeal, the decision can be reconsidered and if it is still not to the customer's satisfaction, then the matter can progress to an independent tribunal/chairperson for determination (see Appendix D, Reconsiderations and appeals).

appeal stage. However, experience of the reconsideration and appeals process among respondents in this study was also limited, with customers generally deciding not to ask for their decision to be reconsidered or an appeal carried out. A range of reasons were given for this including:

- **lack of awareness of the option to appeal**, as well as the processes involved;
- **view it would be an overly complicated and long process**, which, as a consequence, did not seem worth pursuing. One respondent mentioned being told it would take six weeks;
- **perceived as a futile action** – appealing was seen by some as being a ‘waste of time’ once the decision had been made, as customers did not believe the decision would be overturned;

*‘I suppose if I was to have gone to an appeal board then they might have looked at it differently. But what was the point. These people don’t know me and don’t care about my reputation. So whether I’m a lazy good for nothing who’s not going to get a job for whatever reason, or really does want to get a job, doesn’t make any difference to them. So why bother clearing my name if people don’t give a damn...so why waste my time.’*

(Customer, JSA, aged 35-44, South Wales)

- **deemed too much effort** – this was particularly true in cases where customers viewed the appeal as futile, but also for some older customers;
- **discouraged by the advisor** – customers had been guided by the advice of their advisers who suggested the decision would probably not be overturned. According to advisers, they really only mentioned the possibility of a reconsideration or appeal if they believed the customer had provided additional evidence to warrant this;
- **secured employment** – customers found a new job during the process so did not need the money; and
- **unsure of the support and guidance they would receive** and consequently the task of ‘taking on the establishment’ often appeared too ‘daunting’.

Typically, those who did follow through with an appeal or reconsideration were often unable to recall details of the process; however they suggested that the decision was usually adverse. More exceptionally, decisions had been overturned and this was usually due to the respondent providing additional evidence about their personal circumstances or as a result of the Jobcentre stating they had made a mistake.

### 5.3.3 Experience following the sanction

Following the sanction, customers were in some cases unaware or confused about what action they should follow next, for example, what loans or benefits they could apply for and particularly whether they should continue signing during the sanction

period or make a new claim when the sanction ends. Certainly, customers suggested they had continued signing when this had not been required as a result of this confusion.

In some instances, customers visited the Jobcentre or the Benefits Agency for advice and information on what to do next. However, customers did not always seek advice as they did not believe they would be able to help them and just had to wait until the sanction was over. Other respondents relied on their friends and family, in particular parents, to talk to about the situation and, exceptionally, a customer did approach the Citizens Advice Bureaux for advice, and was told to talk to staff at the Jobcentre for more information.

Applications to alternative funds were made, with customers suggesting they had made crisis loan and hardship fund applications.

*'I claimed for that because you can't live on nothing, nobody can live on nothing, and they declined me that as well. They said that I weren't [entitled] for that either. So I didn't have nothing.'*

(Customer, JSA, aged 25-34, North of England)

Applications were often unsuccessful. However, there was evidence of people receiving a crisis loan, for example, one respondent suggested they received £60 for their rent money. The process was often said to be long, with decisions still not being made even after the sanction had expired and benefit reinstated.

## 6 Impact and responses to sanctions

The qualitative research aimed to explore the direct impact of sanctions, while the quantitative research focused more on the overall impact of the threat and application of sanctions among sanctioned and non-sanctioned claimants. In addition, the research explored perceptions around fairness, gauging fairness of the general principle and reality of receiving a sanction.

### 6.1 The deterrent effect of sanctions

When sanctioned respondents were asked how they could have avoided the sanctioning of their benefit, almost a quarter (23 per cent) said that it could not have been avoided and a further fifth (21 per cent) were unsure how it would have been possible. Those who said they were sanctioned for leaving employment voluntarily were most likely (31 per cent) to say it could not have been avoided. The qualitative findings reflect this, particularly leaving employment voluntarily or leaving training; customers felt they either did not know about the sanction in advance in order to avoid it, or they felt their circumstances were such that they had little choice but to leave work or their training course. For example, they were being bullied at work, or they had to leave training due to personal circumstances.

Views on whether sanctions had a positive deterrent effect were generally mixed, with 44 per cent saying that being told about the sanction made them more likely to look for work and 53 per cent saying it made no difference. Of those eventually sanctioned, 46 per cent said it made them more likely to follow the rules for claiming Jobseeker's Allowance (JSA). The extent to which the regime has a deterrent effect can partly be measured by the number of repeat sanctions; data from the Sanctions Evaluation Database (SED) show that the large majority of customers (73 per cent) have only been sanctioned once, while smaller proportions have been sanctioned twice (16 per cent) or more than twice (10 per cent).

The findings from the qualitative work were also mixed, with sanctions seen as having a dual impact, both encouraging and dissuading customers from finding

work. For some customers, the experience of having received a sanction and the possibility of receiving one in the future impacted on views of their future employment prospects. Some customers expressed a desire to find employment sooner as they wanted to stop being reliant on the Jobcentre and not run the risk of incurring a sanction again in the future. However, for others it posed a more awkward dilemma – while certain customers appeared to be keen to find employment, there also seemed to be some concern about attending unsuitable job interviews in case they were sanctioned for not accepting the job offer or leaving the job after a short period of time.

As previously mentioned, the reduction in benefit was also thought to have resulted in customers having less money to spend on public transport which they believed prevented them from travelling to interviews and searching for work.

For others, the experience of being sanctioned had worked to demotivate them generally and this was thought to have a negative knock-on effect on their employment prospects. Similarly, the experience made some feel they wanted to continue claiming benefit in order to reap money they had lost and felt they were entitled to.

*'I have come to end of my tether and I just – I mean, because being rejected and whatever off jobs and then find that your benefits are getting stopped, just all these things.'*

(Customer, JSA, aged 18-24, North of England)

## 6.2 Fairness

Three-quarters (75 per cent) of all survey respondents thought it was fair to stop or reduce someone's benefit if they did not stick to the rules for claiming JSA; nine per cent thought it was unfair while 14 per cent thought it would depend on the circumstances. Customers who had been sanctioned were most likely to say it was an unfair principle, although it was still regarded as fair by the large majority (69 per cent). Notwithstanding this, sanctioned customers were less likely to be quite so positive when asked about the fairness of any sanction applied to them; 42 per cent thought the decision to sanction their benefit was fair.

Non-white customers and those with literacy difficulties were least likely to say it was fair. Perceptions of fairness were also related to levels of understanding and communication that had been received from Jobcentre advisers. Those who cited a good or fair understanding of the rules to follow when claiming JSA were more likely to have judged the idea of sanctioning someone's benefit as fair, as were those who understood the reasons for their own sanction. Those who had experienced financial hardship as a result of the sanction also viewed sanctions in a more negative light.

The qualitative work suggested that customers' views on the principle of benefit sanctioning varied across a spectrum from disagreement to agreement. Some customers felt sanctioning was dangerous and unfair and should not be permitted;

whereas other customers recognised the need for sanctioning to encourage people to be proactive. Overall, it was felt that customers understood the reasons for sanctioning and agreed it was a necessary and fair system.

Generally, customers thought sanctioning should not apply to vulnerable groups such as lone parents or disabled persons. However, a few customers felt this could be unfair because many people have special circumstances which would not be considered but may impinge on job seeking in a similar way.

*'That's fair enough, if they are the type of person who can't be bothered to get up in the morning and go out and do what they are supposed to do, I think it should be stopped, but single mothers who have no help and can't get to leave the house, that is a different matter.'*

(Customer, JSA, aged 18-24, North of England)

Generally, staff viewed the principle of sanctioning favourably, as it was deemed necessary in order to encourage customers to comply with regulations and also to ensure customers who were able to work did so. Furthermore, it was felt that sanctions were successful in encouraging customers to comply with regulations which they would potentially benefit from, for example, improving their skills and helping them to find work. Moreover, they saw little alternative to the sanctions system.

However, some advisers felt sanctions could have a destructive effect on the relationship and rapport between advisers and their customers which might inhibit their ability to work effectively with customers in the future – and this was seen as being particularly true for younger claimants. It was also felt that sanctions could make life unnecessarily difficult for the customer and this might increase any existing problems they experienced. Furthermore, it might not be effective in encouraging them to carry out certain tasks and satisfy regulations.

Staff felt vulnerable groups should not be exempt from sanctioning as Jobcentre advisers aim to assist according to personal circumstances. Some felt that clear rules removed subjectivity from the process which was helpful because it removed responsibility for making difficult decisions.

### 6.3 Practical impacts

Sixty eight per cent of survey respondents said they had experienced financial hardship as a consequence of their benefit being reduced or stopped. Though there were no differences between JSA and New Deal (ND) respondents, New Deal for 25+ (ND25+) respondents were more likely than New Deal for Young People (NDYP) respondents to say they had experienced financial hardship: 80 per cent and 60 per cent respectively. This is linked to the fact that responses were affected by age; respondents aged 55 or over were more likely to say they experienced financial hardship (88 per cent compared with 67 per cent of those aged 16-54).

Overall, the practical impacts highlighted by customers tended to be financial. Respondents often described the difficulties they faced managing on a reduced income and suggested they found paying their utility bills, rent and loans problematic. Some revealed they had been *'struggling'* to manage their finances on benefit prior to the sanction and therefore found it even more difficult to do so once a sanction had been imposed.

Notwithstanding this, it was felt that customers usually found the money to pay for essentials, such as food or bills. However, they rarely had any additional money and were generally unable to afford 'extras' such as money to spend on socialising, hobbies or shopping, which often had the knock-on effect of them not going out during the sanction, a situation that was described by one respondent as *'isolating'*.

*'Day-to-day living, basically you don't have a way of living, there is no way of living. I gave my dad as much as I could and apart from that, I mean you can't go out, you can't do anything... You don't really, you don't really have a life. You don't get to do anything, the only thing you can basically do is just stay indoors, you can't do anything else.'*

(Customer, JSA, aged 18-24, South of England)

## 6.4 Emotional impacts

A number of emotional impacts were mentioned by customers including depression, frustration, anger and humiliation. It appeared that the strength of feelings regarding depression ranged from customers feeling 'a bit down' and melancholic about receiving a sanction, to those who suggested they suffered more serious depression as a result. As might be expected, the sanction regime seemed to have a greater emotional impact on those who were already susceptible to high emotion, for example, those who already suffered from anxiety and depression. Often the sanction appeared to be one additional pressure on top of an array of other concerns they experienced, such as relationship problems.

Depression and frustration was heightened as a result of customers not being able to engage in the types of activities they might usually, such as leisure pursuits or social activities and, as already mentioned, this made them feel isolated, trapped and *'stuck in a rut'*.

Others reported feeling both angry and embarrassed at the prospect of being sanctioned and upon receipt of the sanction. This was particularly the case when the customers believed the sanction was unjustified, especially if the sanction had been the result of a perceived Jobcentre or Benefits Agency administration error or due to a lack of communication. Frustration was also said to occur as customers often found it difficult to get any answers from the Jobcentre as to why they had been sanctioned and they did not feel they had been provided with an adequate explanation.

## 6.5 Physical impacts

The physical impacts mentioned by customers appeared to be related to the emotional impacts cited. The stress and anxiety reported by customers seemed to have a knock-on impact on the state of some customers' health. In some instances, customers revealed that the receipt of a sanction had aggravated a pre-existing health condition. In one case, a customer thought that her Irritable Bowel Syndrome (IBS) had worsened since they had received a sanction and they believed this to be due to the worry experienced at the time; and another customer whose diabetes was affected by anxiety thought that the imposition of a sanction had made this worse.

*'I suffer from Irritable Bowel Syndrome. It's a condition where if you feel too anxious and too worried about the situation, my stomach it starts blaring as such. I worried and went through a big depression at the time and I think...it really made me feel quite, when the sanction in particular, it made me feel even worse.'*

(Customer, NDYP, aged 18-24, South of England)

Other physical impacts reported included a change in customers' behaviour. For instance, one customer suggested they had eaten less food as they could no longer afford to buy groceries and this was said to have resulted in weight loss and others mentioned experiencing disturbed sleep patterns brought on by worry.

## 6.6 Coping mechanisms

Customers were found to utilise a range of mechanisms to help deal with the sanction they received. They mentioned:

- receiving financial loans and contributions, as well as other practical and emotional support from friends or family members, such as receiving food or clothes;
- applying for and receiving other benefits or allowances; and
- spending savings.

The quantitative research found that nearly two-thirds (64 per cent – 267 respondents) said they had borrowed money from friends or relatives, 43 per cent (182 respondents) said they had fallen into arrears with bill payments, 29 per cent (108 respondents) became overdrawn, 21 per cent (91 respondents) had to sell personal belongings and 16 per cent (73 respondents) took out a loan<sup>21</sup>. Customers who said they had experienced financial hardship were more likely to lodge an appeal against their sanction decision.

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<sup>21</sup> These findings should be interpreted with caution as respondents were prompted with each of these items. Inevitably, this may have led to some degree of 'overstating'. We would expect numbers to be somewhat higher than if respondents had been asked spontaneously for details of the hardships they had experienced.

Not surprisingly the support customers received during the length of their sanction appeared to impact on the experience of being sanctioned, primarily the degree to which it was thought to impact – with those who were supported by family members or friends appearing to have experienced little or no impact in some instances. Customers in this situation acknowledged how fortunate they had been.

*'I asked my mum and dad for help. They helped me out and then I just sort of over a period of time paid them back what they lent me. It was lucky that they were there to help really.'*

(Customer, JSA, aged 25-34, South Wales)

Interestingly, although the support provided by family and friends was viewed positively where it was received, it was thought to have extended the financial impact experienced by the customers in some cases. Principally, it made them feel more indebted, as they often had to pay back the money they borrowed over a period of time, which not only prolonged the financial hardship but made them feel as though they were getting into more debt. It also caused emotional difficulties as respondents felt uncomfortable and concerned about being indebted to family and friends.

Customers who did not have family and friends to turn to often experienced greater impacts as a result of the sanction, particularly those respondents already experiencing financial hardship. In these cases, the sanction was thought to further propel them into debt. However, there were also those who had no identifiable support network but who seemed unperturbed by the impact of sanctions. When explored with advisers, they suggested it was possible that customers had other sources of income, either because they were working or used savings or loans to finance themselves. Customers also mentioned spending personal savings in order to manage financially during the sanctioned period. Some of these customers speculated that the situation would have been very different if they had not had an alternative source of income to rely on.

## 6.7 Impact on family and friends

The impact of a sanction was thought to be more far reaching than simply affecting the sanctioned customer; rather it was also thought to have a knock-on impact on family and friends. In particular, the sanction had an impact on the family and friends who provided financial and emotional support.

**Financially**, it was felt they often bore the brunt of the sanction simply because of the money they spent on the respondent during this time. Specifically, they were said to have made debt repayments on the customers' behalf; they gave the respondent money directly to live on; they provided food (often for the customer and their family); and they also waived rent payments.

**Emotionally**, the sanction was said to have put a strain on family relationships and friendships. Once again, it appeared that the sanction tended to worsen situations

where there was already a problem such as a strained marriage or tense parent-child relationship, as the sanction piled-on unwanted extra pressure. Customers reported increased levels of arguing among families and friends once a sanction was applied and this was said to have been brought about by the financial strain as well as annoyance by family and friends that the customer had received a sanction, especially when it was seen as being their fault.

As well as anger and irritation between family and friends, some customers also reported feeling guilty at having put their friends and family in this situation. This was particularly the case where sanctioned customers were borrowing money from friends and family members who could hardly afford it themselves. Some reported that the family members they were reliant on also suffered from anxiety due to the sanction.

*'Well [my mother] was very worried, because she's like 74 years old, she's an old age pensioner, she doesn't get much pension herself, and she's getting worried about that she's not gonna be able to afford to keep me and feed me, on what she gets.'*

(Customer, JSA, 35-44, North of England)

Finally, sanctions were also thought to have a knock-on effect on the children of those customers sanctioned. It appeared that children often had to miss out on treats and other activities including school trips for the duration of the sanction in the same way that the customer missed out. This was due to the customer being unable to spend money on anything other than essential items. Additionally, it was felt that the children involved were able to absorb the general unhappiness or frustration of the adults caused by the imposition of the sanction.

*'It was very bad because at times it was like "Mummy I want this, I want that" and I can't because I can't afford it.'*

(Customer, JSA, aged 35-44, North of England)

## 6.8 Impact on views and behaviour towards the Jobcentre

In some instances, experiences of being sanctioned had impacted on customers' views of the Jobcentre; however, in other cases it did not. Views about the Jobcentre were generally related to whether the customer blamed the Jobcentre for their situation in any way, as well as how effectively they felt the Jobcentre had communicated information and supported them throughout the process.

In some cases, respondents were angry with the Jobcentre as they did not believe they had been given sufficient or accurate information about the sanction regime and this was said to have led to a lack of understanding regarding what they could receive a sanction for and how and why decisions were made. In particular, it was felt information had not been provided far enough in advance to help guide their decisions and avoid a sanction. These experiences made customers feel that they could not trust decisions made or information provided by the Jobcentre.

*'I am extremely cynical. I don't trust them, not that they are devious, but I don't trust their capacity and when they tell me things I am doubtful of whether it is the right information.'*

(Customer, ND25+, aged 25-34, North of England)

In contrast, others suggested the experience had not impacted on their views of the Jobcentre. Primarily, this was said to be as a result of the distinction they made between the DMA team who they understood made the decision and Jobcentre advisers who did not. There appeared also to be a certain level of recognition that the advisers were simply following government regulations and it was part of their job. Moreover, in some cases customers simply blamed themselves for not complying with Jobcentre regulations rather than pinning the blame on anyone else.

*'It was my fault the way that happened. If I'd been there it wouldn't have happened. I mean I was probably a bit upset with, but I couldn't blame them, it was me who wasn't there in the first place.'*

(Customer, JSA, aged 25-34, South Wales)

Despite views about the Jobcentre, in reality experiences tended not to have negatively impacted on customers' actual behaviour towards the Jobcentre, primarily as customers felt they had little choice but to continue working with the Jobcentre in the same way as before. This said, some were more resentful and less trusting of the system as a result.

Importantly, the experience appears to have encouraged some customers to adhere to Jobcentre regulations in the future, as they revealed they would be unlikely to miss appointments or break Jobcentre regulations again after receiving a sanction in order to ensure they did not receive another. It seemed that following a sanction, customers often viewed all contact with the Jobcentre as compulsory and suggested they would not risk non-compliance in the future.

*'My dad said to me, "you've learned your lesson now, you won't do it again will you?". I went "no I won't, you don't put your fingers in a fire to burn twice".'*

(Customer, JSA, aged 25-34, North of England)

## 6.9 Fixed fines

The idea of a fixed fine system originates from the 2004 Pre-Budget Report which stated 'An effective balance between rights and responsibilities also requires effective penalties for non-compliance. Alongside the intervention regime pilots, the Government will therefore review the current JSA sanctions regime to ensure that the penalties for failure to carry out responsibilities are timely, fair, practical and effective'.

It is argued that the current sanctions regime can be heavy handed, with lengthy processes and sanctions imposed long after the instance of non-compliance. The idea of a fixed fine system is to provide scope for improving the capacity to respond

swiftly and effectively by making identification and referral of instances of non-compliance more automatic, so removing the burden of decision-making from Jobcentre Plus advisers, and speeding up the sanctions process. The Government is therefore committed to examining the scope for improving JSA sanctions and the potential for a fixed-fines system.

In order to gauge respondents' thoughts on changing the current system of benefit reductions, several questions were included in the survey about fixed fines. The object was to find out how fixed fines would affect people's adherence to the rules that should be followed when claiming JSA.

In summary, there were mixed findings as to whether a fixed-fine approach would deter JSA customers from leaving a job voluntarily; 45 per cent said it would make them less likely to leave while 45 per cent said it would make no difference. JSA customers were more positive about whether fixed fines would deter them from turning up late for signing-on, with 79 per cent saying it would make them more likely to arrive on time. Two-thirds (65 per cent) of ND customers said they would be more likely to attend an employment programme if threatened with a fixed fine approach. When asked about the fairness of a fixed fine regime, respondents were divided on the fairness of such an approach.

Overall, views on fixed fines mirrored general views on sanctioning – those with a greater understanding of the conditions of claiming JSA were more likely to view sanctions and/or fixed fines in a positive light. More specifically, 82 per cent who said the idea of sanctioning someone's benefit was very or quite fair said they would be more likely to sign on time if threatened with a fixed fine, compared with 69 per cent of those who said sanctioning was not very or not at all fair.

Fifty-seven per cent of JSA respondents said it was likely that they would appeal if they received a fixed fine for signing on late; a quarter (27 per cent) said it was unlikely, while 13 per cent said that it would depend on the circumstances of the case. Attitudes did not vary by any of the major sub groups, although they were linked to fairness. Those who thought it unfair were more likely to appeal (76 per cent) than those who thought it was fair (48 per cent would appeal).



## 7 Conclusion

In general terms, the research has indicated that the sanctions regime is broadly effective. Notwithstanding this, there was thought to be a lack of clarity regarding basic Jobseeker's Allowance (JSA) conditions, particularly for English for Speakers of Other Languages (ESOL) customers and for those with literacy needs or with some level of learning difficulty. This amounts to approximately 20 per cent of claimants.

Although it was found that most people understand the general principles of JSA and the sanctions regime (with 80 per cent saying they had a good or fair understanding of the regime), it was felt that overall customers would benefit from a simpler, clearer and regularly repeated message about their responsibilities. There is scope for improved communication regarding sanctions, especially for the 20 per cent with ESOL, literacy difficulties or learning difficulties mentioned above.

Sanctions did not appear to discriminate against Black Minority Ethnic (BME) groups, women, or those with health problems or disabilities. Younger customers were, however, found to be more likely to be sanctioned, especially those on the New Deal for Young People (NDYP) and this was largely a consequence of these customers failing to undertake a mandatory option. It was found that customers lacking in qualifications and those with literacy difficulties were no more likely to be sanctioned than other customers. However, customers with learning difficulties (self reported) were marginally more likely to be sanctioned. Overall, sanctioned New Deal (ND) customers were more likely to report learning difficulties and were less likely to possess qualifications, although this is not entirely surprising given the greater level of disadvantage among ND customers.

Sanctions can be seen to influence the behaviour of some customers and therefore have a deterrent effect. Findings in this area were mixed, although just over two-fifths of customers said they were more likely to look for work as a result of benefit sanctions. The extent to which the regime has a deterrent effect can partly be measured by the number of repeat sanctions; data from the Sanctions Evaluation Database show that the large majority of customers (73 per cent) have only been sanctioned once, while smaller proportions have been sanctioned twice (16 per cent) or more than twice (10 per cent). Furthermore, most customers (around seven in 10) thought that the general principle of sanctions was fair. More specifically, even among those actually sanctioned, around two-fifths thought that their own sanction was fair.

Sanctions did have tangible impacts on customers, with over two-thirds of sanctioned customers suffering financial hardship, for example, needing to borrow money or getting into debt. The impact of sanctions was seen to be moderated by support from family and friends, as well as by hardship payments received (which are received by about a quarter of all those sanctioned). Young people in particular were helped by their parents. As a result of the support received, it was suggested that the impact of a sanction spread more widely, having a knock-on impact on those supporting the sanctioned claimant, such as parents, siblings or partners.

Emotional impacts were also highlighted including: depression, frustration, anger and humiliation. It was felt that emotional impacts, such as depression and stress, were more pronounced for those who already experience emotional issues, such as depression or anxiety-related problems. Stress caused by a sanction was said to result in physical impacts occurring, customers mentioned aggravating existing health conditions, such as Irritable Bowel Syndrome (IBS) and diabetes.

The Government is committed to examining the scope for improving JSA sanctions and the potential for a fixed-fines system. In order to gauge respondents' thoughts on changing the current system of benefit reductions, several questions were included in the survey about fixed fines. The object was to find out how fixed fines would affect people's adherence to the rules that should be followed when claiming JSA. In summary, there were mixed findings as to whether a fixed-fines approach would have positive impacts. Perhaps the biggest impact was seen in relation to JSA customers, who were more positive about whether fixed fines would deter them from turning up late for signing on, with 79 per cent saying it would make them more likely to attend on time.

As has been illustrated, the sanctions regime was seen to be largely effective although there are a core group of customers (those with ESOL needs, literacy needs and learning difficulties) who would benefit from improved communication of the sanctions regime and the basic conditions of JSA. One possible explanation for the lack of understanding among these groups is around misunderstandings and comprehension problems. However, this is inextricably linked with the role of the adviser and the wider communication of conditionality. The major policy challenge is to simplify the process for customers and subsequently raise awareness levels and detailed understanding of the processes. Clear communication of the regime is also deemed important if the policy is to be used as an effective deterrent, as quite simply, if people are not aware of the policy, it is unlikely to encourage them to adhere to Jobcentre rules and regulations.

# Appendix A

## Survey sample design and survey response rates

### Sample design

The sample universe for the study was agreed as:

- **not referred** between April-June 2004 (n=756,363)
- **referred** between April-June 2004 but **not sanctioned** (n=24,095)
- **referred** between April-June 2004 and **sanctioned** (n=16,877)

Table A.1 details the breakdown between New Deal for Young people (NDYP), New Deal for 25+ (ND25+) and Jobseeker's Allowance (JSA) customers. The table shows that all groups except 'JSA not referred' were over-sampled. The sample was selected in order for BMRB to achieve *circa* 2,000 interviews with those not sanctioned, *circa* 500 interviews with those referred but not sanctioned and *circa* 500 interviews with those referred and sanctioned. The NDYP and ND25+ groups were boosted so that they represented *circa* 15 per cent of the overall sample (30 per cent in total). This compared with *circa* five per cent if left to their natural universe proportions.

Once the above over-sampling was agreed, the Department for Work and Pensions (DWP) provided BMRB with a sample of 19,959 records. 4,130 cases were sent to an external provider for a telephone look-up exercise (i.e. all with no telephone number or invalid numbers identified). 387 numbers were found in the telephone look-up. A further 31 cases were removed from the sample as no address was present.

The total number of cases with a valid telephone number after look-up and exclusions was 16,179 (81%). BMRB then selected a random sample of cases for the telephone survey. A further sample was then drawn from all cases without a

telephone number to be used in the face-to-face stage of the work. This sample was clustered to allow for greater sampling efficiency.

Boosting the above groups allowed for more scope to carry out separate analysis of JSA and New Deal (ND) customers as well as the sanctioned versus non-sanctioned groups. The data were weighted so that they reflected the natural universe proportions. The over-sampling carried out reduced the effective sample size to 1,906 (63%).

**Table A.1 Sample stratification and design weighting (sample weights)**

Stratification									
	NDYP no refer	ND25+ no refer	JSA no refer	NDYP refer but no sanct'n	ND25+ refer but no sanct'n	JSA refer but no sanct'n	NDYP refer + sanct'n	ND25+ refer + sanct'n	JSA refer + sanct'n
Universe	44,444	35,158	676,761	937	553	22,605	1,375	430	15,072
Issued	777	769	3,647	194	194	912	187	191	908
Interviews	289	294	1,439	80	82	380	56	60	337
Weight	0.55	0.44	1.79	0.05	0.03	0.24	0.07	0.02	0.16
Effective sample size	1,906 (63%)								

Effective sample sizes for each of the groups have also been calculated and are detailed in Table A.2:

**Table A.2 Effective sample sizes**

	Number of interviews	Effective sample size
New Deal	861	619
JSA	2,156	1,595
Sanctioned	453	392
Referred (but not sanctioned)	542	427
Not referred	2,022	1,726

## Survey response

Tables A.3 and A.4 detail the survey response figures for both the face-to-face and telephone stages. The overall response rates were 49 per cent for the face-to-face stage and 64 per cent for the telephone stage<sup>22</sup>.

<sup>22</sup> Cases which received 10+ calls were classed as valid sample for the purposes of response calculations although there is a probability that many of these cases may have been invalid numbers, which would increase the overall response.

**Table A.3 Face-to-face stage survey response**

<b>Outcome</b>	<b>Percentage (N)</b>
Advance letters sent	1,568
<b>Invalid sample data</b>	
Insufficient address/address not traced	34
Derelict/demolished	10
Empty/not occupied	35
Business/industrial only	6
Deceased	1
Moved unable to get new address	349
Moved (new address outside area)	10
Ill/in hospital/away during survey period	28
Never been to a Jobcentre/claimed benefit	2
Inadequate English	2
Other unproductive	31
<b>Opt-out/refusal</b>	
Office opt-out before and during fieldwork	100
Personal refusal	64
Proxy refusal	33
Contact made but information about occupants refused	4
Broken appointment	23
No contact made at household	256
No contact with respondent	56
Full interviews	524
Invalid sample data	508
Opt-out refusal	536
<b>Full interviews</b>	<b>524</b>
Invalid sample data	508
Opt-out refusal	536
Full interviews	524
Valid sample data	1,060
Invalid sample data	32%
Opt-out refusal	34%
Productive	33%
Productive of valid sample	49%
Refusal/unproductive of valid sample	51%

**Table A.4 Telephone stage survey response**

<b>Outcome</b>	<b>Percentage (N)</b>
Advance letters sent	6,501
Sample covered	6,165
Sample still to try – no final outcome at close of fieldwork	336
<b>Invalid sample data</b>	
Invalid telephone number	1,416
Deceased	15
Moved – no trace	392
Unknown at number	312
Incapable of interview	47
Duplicate number	7
Never been to a Jobcentre/claimed benefit	26
Unavailable during fieldwork	68
<b>Opt-out/refusal</b>	
Office opt-out before and during fieldwork	382
Personal refusal	437
Proxy refusal	41
Abandoned interview	111
10+ unsuccessful calls	418
<b>Full interviews</b>	<b>2,493</b>
Invalid sample data	2,283
Opt-out refusal	1,389
Full interviews	2,493
Valid sample data	3,882
Invalid sample data	37%
Opt-out refusal	23%
Productive	40%
Productive of valid sample	64%
Refusal/unproductive of valid sample	36%

# Appendix B

## Qualitative sample profile

**Table B.1 Sample profile**

<b>Primary variables</b>	
<b>Area</b>	
South	14
Midlands	19
North	14
South Wales	23
Total	70
<b>Type of benefit</b>	
JSA	52
NDYP	7
ND25+	11
Total	70
<b>Status of sanction</b>	
Living with	25
Complied	45
Total	70

Continued

**Table B.1 Continued**

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<b>Secondary variables</b>	
<b>Gender</b>	
Male	43
Female	27
Total	70
<b>Age</b>	
18-24	34
25-34	14
35-44	11
45+	11
Total	70
<b>New or repeat</b>	
New	18
Repeat	52
Total	70
<b>Ethnicity</b>	
White	50
Black	7
Asian	10
Other	3
Total	70

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# Appendix C

## Conduct of qualitative research and qualitative analysis

### Conduct of qualitative research

Respondents were purposively selected by our in-house team of specialist field recruiters, using the sample criteria outlined in Appendix A and agreed with the Department for Work and Pensions (DWP).

All the depth interviews and group discussions were undertaken by experienced qualitative researchers, using non-directive interviewing techniques. They were exploratory and interactive in form so that questioning could be responsive to the views, experiences and circumstances of the individuals involved. Interviews for each stage were guided by a topic guide developed by BMRB, in close liaison with the DWP. Although topic guides ensure systematic coverage of key points across interviews, they were used flexibly to allow issues of relevance to respondents to be covered.

All the depth interviews and group discussions were digitally recorded in stereo. The verbatim transcripts produced from the digital recordings were subject to a rigorous content analysis, which involved systematically sifting, summarising and sorting the verbatim material according to key issues and themes, within a thematic matrix. Further classificatory and interpretative analyses were then derived from the analytic charts and these formed the basis of the findings reported.

The findings reported have been illustrated with the use of verbatim quotations and examples. Where necessary the details of the contributors or their subjects have been moderately changed to protect anonymity.

Adopting a qualitative approach has made it possible to report on the range of views, experiences and suggestions reported by customers and staff. The purposive nature of the sample design as well as the sample size however, means that the study cannot provide any statistical data relating to the prevalence of these views, experiences or suggestions. Further details about our analytical procedures can be found below.

## Qualitative analysis

BMRB Social Research are always committed to producing a thorough analysis of the data and set procedures are in place to ensure analysis is undertaken in a systematic and comprehensive manner and that the findings are based on the raw data rather than on a researcher's impressions. The interviews are all transcribed verbatim and then analysed by experienced members of the BMRB team.

Material collected through qualitative methods is invariably unstructured and unwieldy. Much of it is text based, consisting of verbatim transcriptions of interviews and discussions. Moreover, the internal content of the material is usually in detailed and micro form (for example, accounts of experiences, inarticulate explanations, etc). The primary aim of any analytical method is to provide a means of exploring coherence and structure within a cumbersome data set while retaining a hold on the original accounts and observations from which it is derived.

Our method involves a systematic process of sifting, summarising and sorting the material according to key issues and themes. We use a set of content analysis techniques, known as 'Matrix Mapping', to ensure an optimum synthesis of findings from the verbatim data.

The first stage of Matrix-Mapping involves familiarisation with the data (in the form of the audio tapes or verbatim transcripts) and identification of emerging issues. Based on this preliminary review of the data as well as the coverage of the topic guide and the researchers' experiences of conducting the fieldwork, a thematic framework is constructed.

The analysis then proceeds by summarising and synthesising the data according to this thematic framework using a range of techniques such as cognitive mapping and data matrices. The thematic matrix comprises a series of subject charts displayed either in Word, Excel or Insight qualitative software. In this case, Excel software was utilised.

The subject headings included in the charts used on this project were as follows:

- 1 Background
- 2 Awareness and knowledge of the regime
- 3 Sanctioning process

4 Views on sanctioning

5 Impact of sanctions

6 Principle of sanctions and suggestions for change

Data from each interview transcript will be summarised and transposed under the appropriate subject heading of the thematic matrix. The context of the information is retained and the page of the transcript from which it comes noted, so that it is possible to return to a transcript to explore a point in more detail or to extract text for verbatim quotation. When all the data have been sifted according to the core themes, the analyst begins to map the data and identify features within the data: defining concepts, mapping the range and nature of phenomenon, creating typologies, finding associations, and providing explanations.

The mapping process is similar whichever of the above features are being considered. The analyst reviews the summarised data; compares and contrasts the perceptions, accounts, or experiences; searches for patterns or connections within the data and seeks explanations internally within the data set. Piecing together the overall picture is not simply aggregating patterns, but of weighing up the salience and dynamics of issues, and searching for structures within the data that have explanatory power, rather than simply seeking a multiplicity of evidence.

The key issues, and the features that underpin them, are then used as the basis for constructing in this instance the oral presentation and the written report. Verbatim quotes are also used throughout in order to illustrate and illuminate the findings.

We have used, and refined, our analytical procedures over many years. They are highly respected by our customers and are noted for their ability to extract the maximum information from qualitative data. Our methods are very robust and demonstrably able to stand up to public scrutiny. They have been used, for example, in the analysis of difficult and sensitive topics and have provided the analytical structure for many high profile pieces of work.



# Appendix D

## The sanctions process

### A summary of the sanctions process

While claiming Jobseeker's Allowance (JSA), a customer can have a Labour Market (LM) 'doubt' raised against their claim. LM doubts are normally identified by staff at the Jobcentre Plus office and are referred back to Sector Decision Makers (SDMs). Once the SDM has made a decision on whether to sanction or disallow/make a referral, this decision is entered on a system called the Decision Making and Appeals System (DMAS). The reasons for referral to the Decision Making and Appeals (DMA) team are summarised below:

- **JSA LM entitlement doubts:** these are questions on which entitlement to JSA depends. For example, if there is doubt around whether the Jobseeker's Agreement (JSAg) is suitable, whether they are actively looking for work or making themselves available for work. In most cases, payment of JSA will be suspended by benefit processing until the doubt is resolved;
- **JSA LM sanction doubts:** these are questions which may affect the payment, rather than entitlement, of JSA. People who unreasonably cause or perpetuate their own unemployment are subject to a benefit sanction. For example, leaving previous employment voluntarily, or refusal of employment. When a doubt arises on a sanction question, payment of JSA will normally continue until such time as a sanction is imposed.

*Favourable* decisions (sometimes referred to as 'allowed') mean that the SDM is content that the conditions are satisfied, and decides in the jobseeker's favour. *Adverse* LM decisions are given where the SDM considers that the jobseeker does not satisfy the LM conditions of entitlement to JSA or that a sanction in relation to the payment of JSA is appropriate. These decisions are sometimes referred to as 'disallowances'.

Sanctions can either be imposed for a **fixed** or **variable** length, each under different parts of legislation. Sanctions that relate directly to 'employment', such as sanctions

for misconduct or leaving voluntarily, are variable in form and can be applied for any amount of time between one and twenty-six weeks. In contrast, fixed length sanctions apply to customers who do not fulfil their JSA, New Deal or Work Focused Interview responsibilities. They are for acts or omissions relating to 'employability', for example, employment prospects such as training or seeking work. A fixed sanction can be imposed for two, four, or twenty-six weeks depending on whether they have previously been sanctioned. Jobseeker sanctions can be imposed either at the start of a claim or during one.

## Referral procedures

The referral procedures vary and the full process has been summarised below:

### **Leaving voluntarily**

- If a doubt arises leading to the impression that a customer may have left voluntarily, the onus of proof is on the customer to show that they had just cause for leaving voluntarily.
- The customer is asked to complete an ES84 form explaining their reasons for leaving – the form must be returned within seven days.
- An ES85 form is sent to the former employer enquiring about the circumstances.
- The adviser completes a DMA referral form on the Labour Market System database (LMS).

### **Losing employment through misconduct**

- If the customer may have lost their previous job through misconduct, the onus of proof is on those who allege it. An ES85 form is sent to the former employer enquiring about the circumstances.
- The customer is not asked for an explanation at the referral stage, but rather is given the chance to comment on information received from the employer. If the information from the customer conflicts with that from the employer, then the decision maker makes a decision based on the balance of probabilities.

### **Neglect to avail (NTA) of an opportunity of employment**

- A question of NTA can occur either at the beginning of a claim (e.g. if a customer did not return from maternity leave even though there was a place awaiting them in employment) as well as during a claim (e.g. if a customer deliberately makes themselves appear unemployable in an interview). In this section, NTA is considered in the former sense.
- An ES85 form is automatically sent to the former employer.
- As above, the customer is asked to explain their reasons for leaving in an ES84 form.

**Discharge from HM Forces**

- If the customer may have been discharged from HM Forces (HMF), HMF personnel are asked to confirm the reason for discharge.
- The jobseeker's reason for HMF service ending is copied exactly from the new claim form.

**Refusal/failure to carry out a Jobseeker's Direction**

- If the customer refuses or fails to carry out a Jobseeker's Direction, the adviser should refer the case to the decision maker.
- The jobseeker is asked to explain why they did not carry out the Jobseeker's Direction in a note.
- The adviser provides a supporting note explaining why the Jobseeker's Direction was reasonable in the customer's circumstances.

**Refusal of and failure to apply for employment**

- If the customer refuses employment, an ES195E form is completed by the adviser stating the details of the job the jobseeker was offered.
- An ES195RE form is completed by the jobseeker explaining their reasons for refusing the job.

**Giving up a place on a training scheme/employment programme**

- The documents required for referral in this case are: the DMA referral form; an ND3 form completed by the customer explaining why they left; a copy of the referral letter and any details of previous New Deal (ND) sanctions the customer had incurred; and any supporting documents.
- If the place given up is subsidised employment (formerly the employment option of ND), the procedure is the same as that for leaving voluntarily (see above).

**Losing a place on a training scheme/employment programme due to misconduct**

- The documents required for referral are: a DMA referral form, and an ND11 form completed by the employer and forwarded to the adviser; the customers' referral letter; and any supporting documents.
- If the place lost is from subsidised employment, the procedure is the same as in losing employment through misconduct (see above).

**Refusal of a place on a training scheme/employment programme**

- Such a question would arise at the referral stage, where the customer would be asked to sign a Ref2 form, accepting a referral to a scheme. If the customer refused to sign this form, then the sanction doubt would arise.

- The documents required for referral are: a statement by the adviser giving as much information about the circumstances as possible; a statement from the customer explaining why they refused the place; a DMA referral form; a copy of the JSAg that was current at the time; and any supporting paperwork.

### **NTA of a place on a training scheme/employment programme**

- A referral for NTA could arise when a customer is given the opportunity of a place on a training scheme/employment programme, if the customer fails to avail themselves of the opportunity.
- The documents required for referral are: the DMA referral form; the notification of the programme/scheme; an explanatory note from the adviser; a copy of the customer's JSAg; and any supporting paperwork.

### **Failure to attend a place on a training scheme/employment programme**

- Documents required for referral are: the DMA referral form; ND3 form (or equivalent if not on ND); the customer's referral letter; a copy of the customers' JSAg, and details of any previous sanction on ND.

Tables D.1 and D.2 detail information taken from the Sanctions Evaluation Database (SED) up to August 2005. Table D.1 shows that variable-length sanctions account for 86 per cent of all sanction decisions taken, but only 33 per cent of those decisions result in a sanction being imposed. Furthermore, Table D.2 shows that the majority of all variable-length sanctions imposed are for leaving employment voluntarily. In contrast, fixed-length sanctions account for 14 per cent of all sanction decisions, but 61 per cent of those decisions result in a sanction being imposed. The majority of fixed-length sanctions imposed are for failure to attend a place on a training scheme/employment programme.

**Table D.1 Variable and fixed length sanctions**

	<i>Column percentages</i>	
	<b>All decisions since April 2000</b>	<b>% of cases with sanctions imposed</b>
Variable length	2,184,900	33%
Fixed length	352,480	61%
Total number of sanctions	728,160	36%

**Table D.2 Type of varied and fixed length sanctions**

Type of decision	Column percentages	
	All cases referred since April 2000	% of cases with adverse decision
<b>Variable length:</b>		
Leaving employment voluntarily	1,385,590	32%
Refusal of employment	439,490	40%
Lost employment through misconduct	358,490	26%
Neglect to avail of an opportunity of employment	1,100	25%
Discharge from HM Forces	230	15%
<b>Fixed length:</b>		
Giving up a place on a training scheme/employment programme	36,990	55%
Losing a place on a training scheme or employment programme	67,510	62%
Refusal of a place on a training scheme/employment programme	4,600	66%
Neglect to avail of a place on a training scheme/employment programme	3,930	51%
Failure to attend place on training scheme/employment programme	197,950	61%
Refusal to carry out a Jobseeker's Direction	41,510	64%

## Hardship arrangements and Crisis Loans

The immediate effect of a sanction is that JSA is not payable for the period concerned. Subject to the satisfaction of certain criteria, jobseekers may be entitled to hardship payments during the period of a sanction. People in the 'vulnerable group' – those with children, and (as appropriate) those who are themselves, or whose partner is, pregnant, disabled or chronically sick, or who have significant caring responsibilities – have access throughout a sanction. Others have access from the third week.

Hardship payments are not made automatically. Jobseekers must make a separate application and must show that they or their dependants would suffer hardship unless they receive a payment. It follows that they must be made aware that hardship payments can be made available. In deciding whether to make an award, Decision Makers must take into account:

- the presence in the applicant's family of someone who satisfies the requirements for a disability premium;
- the resources which, without JSA, are likely to be available to the applicant's family; the amount by which those resources fall short of the hardship payment

which might be payable; the amount of resources which might be available to the applicant's family from anyone else in the household; and the length of time those factors are likely to persist; and

- whether there is a substantial risk that essential items, including food, clothing, heating and accommodation, will cease to be available to the applicant or his/her family, or will be available at considerably reduced levels, and the length of time those factors are likely to persist.

A hardship payment means that the applicant's personal allowance is reduced. Any premia and increases for dependants are paid in full. The normal reduction of the personal allowance is 40 per cent. If the applicant or a member of his/her family is pregnant or seriously ill, the reduction is 20 per cent.

The hardship arrangements are different in the New Deal for Young People (NDYP) and New Deal 25+ (ND25+). Only the vulnerable group have normal access to hardship payments during a two- or four-week sanction for failing to attend a ND option. The non-vulnerable group have no access, because they can obtain an income by taking up an option or IAP place. This articulates the 'no fifth option of a life on benefit' principle. The concept was extended to the 26-week ND sanctions which came into effect in March 2000 for NDYP and April 2001 for New Deal 25 Plus, when the mandatory IAP element was introduced.

There are no reliable data on how many of those receiving a variable sanction go on to claim hardship payments. However, JSA processing data shows that about one third of **all** sanctioned jobseekers are paid JSA at the hardship rate.

Crisis Loans are sometimes payable to customers who are unable to meet their immediate short-term needs; either in an emergency or as a consequence of a disaster. The need for help will generally be for a specific item or service, immediate living expenses for a short period not normally exceeding 14 days or rent in advance when a Community Care Grant has been awarded. The Crisis Loan should be the only means of avoiding serious damage or risk to the health and safety of the customer or a member of the family. The Secretary of State has issued directions which qualify the power to make Crisis Loans.

The amount, if awarded, will be the smallest amount needed to tide the customer over or overcome the crisis. There is no minimum amount but there is a maximum amount of £1,000, but any previous loans and ability to repay is considered by the Social Fund Officer.

## Reconsiderations and appeals

Reconsideration is the process by which a Decision Maker can either revise, supersede or determine no change to an outcome decision. Reconsideration is undertaken by the 'first tier' (i.e. a Decision Maker within the relevant agency within DWP). A reconsideration can be requested by the customer or their representative or can be initiated by the Secretary of State.

A customer, or their representative, can appeal against an outcome decision as well as/instead of requesting reconsideration. On receipt of an appeal, the decision can be reconsidered and if it is still not to the customer's satisfaction (a new outcome decision might be issued prompting the need for a fresh appeal in some cases) then the matter can progress to an independent tribunal/chairperson for determination.

The DMA legislation introduced from 1999 provides easier and quicker routes for resolving disputed decisions without a tribunal (Social Security Act 1998). Jobseekers are entitled to receive a verbal or written explanation of a decision and can apply for a reconsideration of a sanction.

In the case of a sanction for leaving voluntarily, for example, a jobseeker may provide additional information, which, for whatever reason, he or she did not provide in response to enquiries from the Decision Maker. This does lead to a small proportion of sanctions being reduced or lifted completely. Current data shows that approximately 20% of the number of decisions sanctioned for leaving voluntarily are reduced or lifted completely after reconsideration.

