

Conditionality and sanctions

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Individuals who are able to look for or prepare for work should be required to do so as a condition of receiving benefit, and those who fail to meet their responsibilities should face a financial sanction. This is known as conditionality.

We will introduce a 'claimant commitment' to clearly set out what is expected of each recipient. We will raise the requirements placed on some individuals and will introduce tougher sanctions to ensure recipients meet their responsibilities.

This approach will be introduced in existing benefits and Universal Credit.

Under Universal Credit, requirements will be set according to individual capability and circumstance. There will be four broad conditionality groups:

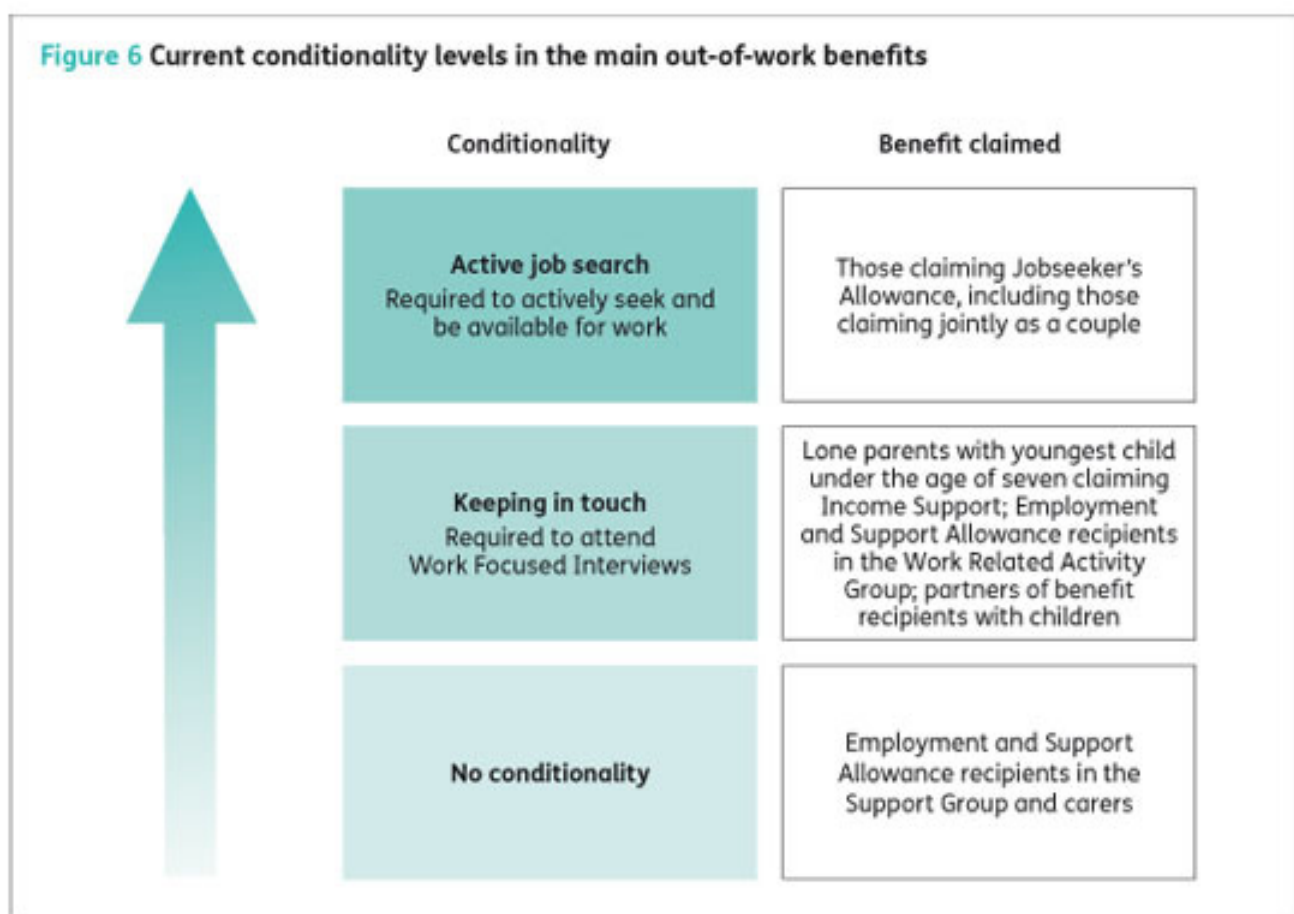
- full conditionality – jobseekers;
- work preparation – people with a disability or those with a health condition which means they have limited capability for work at the current time;
- keeping in touch with the labour market – lone parent or lead carer in a couple with a child over age one but below age five; and
- no conditionality – people with a disability or health condition which prevents them from working, carers, lone parents or lead carers with a child under the age of one.

Conditionality under Universal Credit will apply up to a threshold. Initially this threshold will be set at broadly the same point at which people lose entitlement to out-of-work benefits. In the future, however, it will be possible to raise the threshold to apply conditionality to greater numbers of recipients.

People receiving Universal Credit but earning above the relevant threshold would not be subject to conditionality. Those in work but earning below the threshold would be in the conditionality group applicable to their circumstances.

Conditionality

1. Universal Credit will make sure that work pays for benefit recipients and our package of employment support – including the new, integrated Work Programme – will allow us to respond flexibly to recipients’ needs. In return, we expect recipients to do everything that can reasonably be expected of them to find work or prepare for work in the future as a condition of receiving support.
2. Currently three levels of work-related conditionality apply to benefit recipients, determined by the benefit claimed.

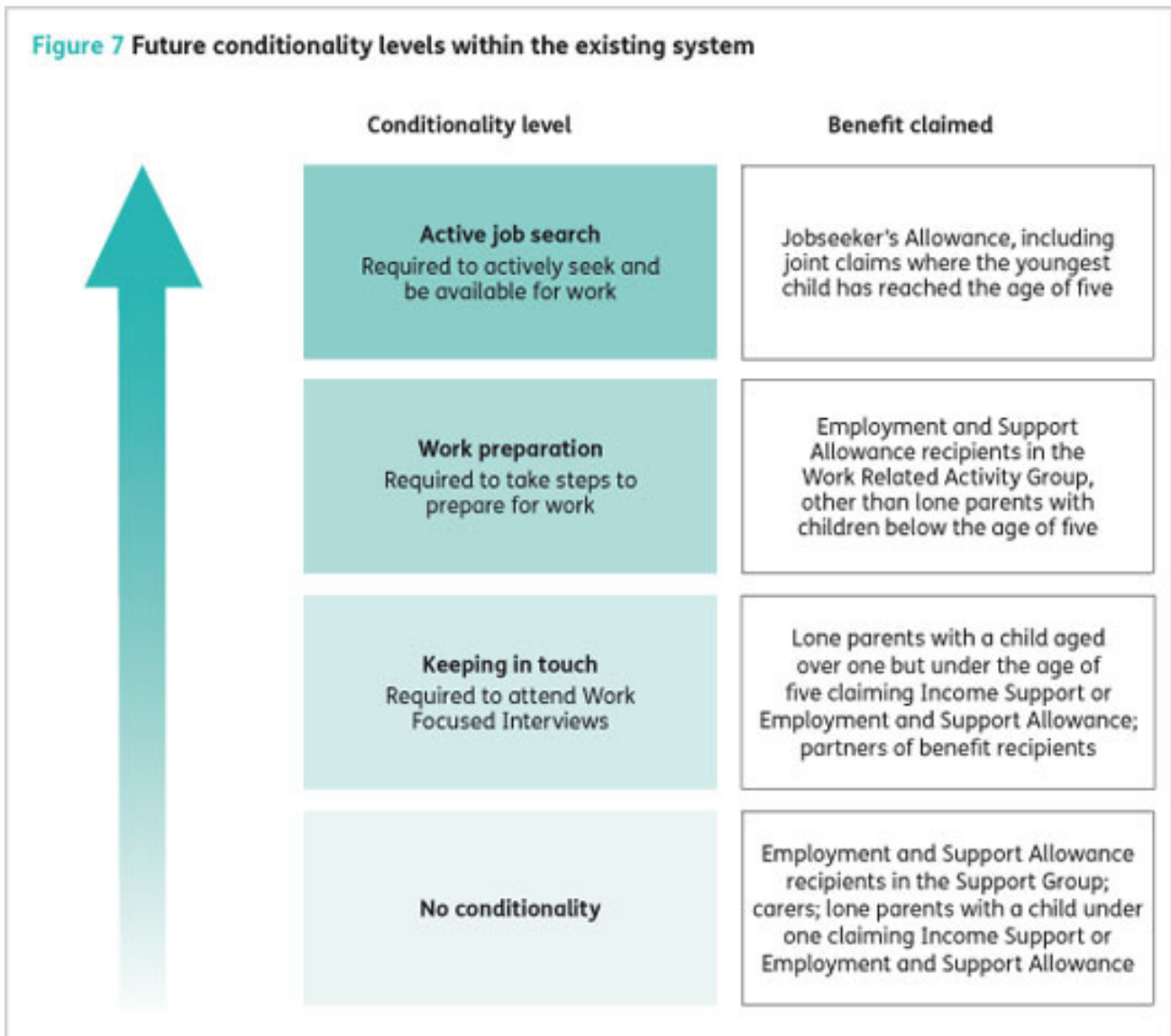


Changes to the existing regime

3. We will introduce important changes to the existing conditionality and sanctions regime to strengthen the link between people receiving benefits and meeting their responsibilities.
4. This will involve:
 - a. increasing the level of conditionality that is applied to some recipients;
 - b. ensuring recipients fully understand what is expected of them by introducing a claimant commitment;
 - c. improving the sanctions regime so that it more effectively encourages recipients to meet their responsibilities; and
 - d. introducing Mandatory Work Activity so that some recipients will be required to take part in full-time work activity for four weeks.
5. We will begin to make these changes in the existing benefits system and they will be carried forward under Universal Credit, with adjustments as necessary.
6. Financial support will remain unconditional for people who we do not expect to be able to work or prepare for work. None of the changes set out in this White Paper change that basic principle.

Increasing expectations

7. We believe we can ask some recipients to do more in return for receiving current benefits and have decided that ahead of the introduction of Universal Credit:
 - a. Employment and Support Allowance recipients who are capable of doing so may be required to take part in work-related activity to help them prepare to move into work;
 - b. as announced in the Budget, lone parents whose youngest child has reached the age of five will need to actively seek work unless they are disabled or have a health condition which prevents them working, or are a carer; and
 - c. couples with children whose youngest child has reached the age of five, and where neither partner is disabled or has a health condition which prevents them working or is a carer, will need to make a joint claim to Jobseeker's Allowance, requiring both partners to actively seek work.
8. Under existing benefits a person on low earnings could still be receiving one of the out-of-work benefits. People in this position have the same conditionality level applied to them as a person receiving that benefit and having no earnings.



Personalised conditionality

9. As now, jobseekers will be required to actively seek and be available for work and we will continue to carry out regular checks to ensure recipients are meeting their conditionality requirements.
10. In setting conditionality, advisers will ensure that the requirements they place on a recipient are reasonable for that person, taking into account their particular capabilities and circumstances. In line with this personalised approach, we will continue to give advisers the flexibility to target stronger conditionality on some jobseekers where they think this is necessary to help move them into work.

11. In particular, we will enable advisers to: require some jobseekers to attend their local office more frequently to demonstrate the steps they have been taking to return to work; require some people to broaden their job search earlier in their claim; and raise the number of steps they expect a customer to take in any week to have the best prospects of finding work. Advisers will also be given clear powers to mandate people in both the work preparation and active job search categories to undertake activity to address a skills need, such as training, which will aid their movement into work. If people do not meet their responsibilities, a sanction will typically follow (see paragraph 14) but, as now, good cause must be taken into account so that where there are reasonable mitigating circumstances, a sanction will not be imposed.

Commitment and sanctions

12. We will require every Income Support, Jobseeker's Allowance and Employment and Support Allowance recipient to have a claimant commitment. The commitment will set out our general expectations of recipients, and the requirements placed upon them; it will also be clear about the consequences for the recipient of failing to meet these agreed standards. This will be carried forward into Universal Credit.
13. Having strong and clear sanctions are critical to incentivise benefit recipients to meet their responsibilities. Currently, we believe that some sanctions are set at too low a level and the consequences of failing to comply with requirements are not always clear. We will introduce a new sanctions structure to apply across Jobseeker's Allowance, Employment and Support Allowance, and Income Support (as now, sanctions will not apply to associated benefits such as Housing Benefit).
14. Our current proposals for financial sanctions are:
- a. Failure to meet a requirement to prepare for work (applicable to jobseekers and those in the Employment and Support Allowance Work-Related Activity Group) will lead to 100 per cent of payments ceasing until the recipient re-complies with requirements and for a fixed period after re-compliance (fixed period sanctions start at one week, rising to two, then four weeks with each subsequent failure to comply).
 - b. Failure to actively seek employment or be available for work will lead to payment ceasing for four weeks for a first failure and up to three months for a second.
 - c. The most serious failures that apply only to jobseekers will lead to Jobseeker's Allowance payment ceasing for a fixed period of at least three months (longer for repeat offences). Actions that could trigger this level of penalty include failure to accept a reasonable job offer, failure to apply for a job or failure to attend Mandatory Work Activity.
 - d. Some types of recipient, such as lone parents with young children, are only required to attend work-focused interviews and their failure to attend is more often due to challenging circumstances than wilful evasion of the rules. Therefore, we are improving our methods of ensuring lone parents know about and are able to comply with their responsibilities. However, we will impose a financial sanction where necessary that is broadly in line with current arrangements.

15. Most people want to find work and will never be in the position of facing a sanction. The aim of our changes is to make the consequences of failure clearer and simpler. We anticipate that most people who are sanctioned will receive a lower level sanction and indeed the majority of people are only ever sanctioned once. For those who repeatedly fail to meet their responsibility to look for work there will be progression through the sanctions regime to the tougher penalties. Recipients in this category will have had many opportunities to demonstrate engagement and will have been clearly warned of the consequences of continued non-compliance. The penalty of losing three years of Jobseeker's Allowance will apply to the most extreme cases, where benefit recipients have serially and deliberately breached conditions, and where other sanctions have not worked to change their behaviour. Recipients will continue to be able to show good cause and, as now, after a sanction has been imposed, recipients will continue to have the ability to appeal. We will also maintain safeguards for vulnerable people and ensure that mental health and substance abuse problems are taken into consideration.
16. As now hardship payments will be available to benefit recipients in need who receive a sanction (and given the new sanctions structure we will ensure this includes Employment and Support Allowance recipients). We are considering replacing the current system of hardship payments with loans to the extent that is possible. We also want to consider ways of ensuring that those who persistently fail to meet the requirements imposed upon them cannot rely on these alternative sources of support for the entire duration of their sanction. This will help ensure a better balance in the system and should help incentivise people to meet their commitments, both within the current benefit system and Universal Credit. However, we remain committed to protecting vulnerable people and their dependants. Therefore, hardship payments will continue to be paid where relevant.

Mandatory Work Activity

17. Mandatory Work Activity will be part of the toolkit that Jobcentre Plus advisers will have available to them. Where advisers believe a jobseeker will benefit from experiencing the habits and routines of working life, they will have the power to refer the recipient to Mandatory Work Activity. The placement will be for up to four weeks and aimed at helping the recipient develop the labour-market discipline associated with full-time employment such as attending on time and regularly, carrying out specific tasks and working under supervision.
18. Requiring a small group of recipients to engage in full-time activity will give them the opportunity to demonstrate their compliance with the Jobseeker's regime. If a recipient fails without good cause to attend or complete the placement, then we will impose a significant financial sanction. This could be, for example, withholding Jobseeker's Allowance for at least three months.

Figure 8 Proposed future sanctions structure under the existing benefit system

To note that in all circumstances sanctions will not apply where there is good cause

Conditionality	Failure	Sanction		
Low Jobseeker's Allowance and Employment and Support Allowance Work Related Activity Group	Includes failure to: <ul style="list-style-type: none"> • Attend an appointment • Carry out a jobseekers direction • Attend employment-related programme • Attend a Work Focused Interview (Employment and Support Allowance) • Carry out work related activity (Employment and Support Allowance) 	100 per cent Jobseeker's Allowance/Employment and Support Allowance open ended until re-engagement then fixed minimum period (1, 2 then 4 weeks) Advisers will retain the ability not to impose a sanction for first and subsequent failures where good cause applies		
Medium Jobseeker's Allowance only	Failure to: <ul style="list-style-type: none"> • Actively seek work* • Be available for work* 	1st failure: 100 per cent Jobseeker's Allowance fixed for 4 weeks	2nd failure: 100 per cent Jobseeker's Allowance fixed for 3 months	
High Jobseeker's Allowance only	Failure to: <ul style="list-style-type: none"> • Apply for a job • Accept job offer • Take part in Mandatory Work Activity 	1st failure: 100 per cent Jobseeker's Allowance fixed for 3 months	2nd failure: 100 per cent Jobseeker's Allowance fixed for 6 months	3rd failure: 100 per cent Jobseeker's Allowance fixed for 3 years

For benefit recipients only required to attend Work Focused Interviews

Income Support and Employment and Support Allowance lone parents with a child aged over one but below the age of five	Failure to attend Work Focused Interview	1st failure – 20 per cent (of the over-18 lone parent personal allowance) open-ended until re-engagement 2nd and subsequent failures – additional 20 per cent (capped at 40 per cent total for any subsequent failures) until re-engagement
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* will remain a condition of entitlement under Jobseeker's Allowance. Sanctions will follow new claim (subject to expiry period), and any loss of benefit at the point of disentanglement will count towards the fixed sanction period.

Conditionality under Universal Credit

19. The structures outlined above will provide the basis of the conditionality and sanctions system under Universal Credit. People will be placed into groups mirroring the four conditionality levels being introduced under existing benefits:
 - a. **Full conditionality.** This will be the default option for recipients including lone parents and couples with older children. Recipients in this group will be subject to the same requirements to actively seek work and to be available for work as they would under Jobseeker's Allowance.
 - b. **Work preparation.** Recipients will be in this group if they are disabled or have a health condition which means they have limited capability for work at the current time. They will be expected to take reasonable steps to prepare for work.
 - c. **Keeping in touch with the labour market.** Recipients will be in this group if they are a lone parent or lead carer in a couple with a child over one but below age five. They will be expected to attend periodic interviews to discuss their plans for returning to the labour market.
 - d. **No conditionality.** Recipients will be in this group if they are: disabled or have a serious health condition which prevents them working and preparing for work; a lone parent or lead carer in a couple with a child younger than one; or have intensive and regular caring responsibilities. People receiving Universal Credit but earning above the relevant threshold would also not be subject to conditionality.
20. Each adult in a household will have conditionality applied to them as an individual; that is they will be placed into their own conditionality group with appropriate requirements. In the case of a couple with children, the couple will need to nominate which of them is the lead carer.
21. Conditionality under Universal Credit will apply up to a 'conditionality threshold'. Recipients above the threshold will be placed into the no-conditionality group. To begin with, we intend to set the threshold at broadly the same point at which people lose entitlement to the current out-of-work benefits. However, once Universal Credit is established we will be able to raise or lower this threshold and apply conditionality to a greater number of recipients.
22. This will enable us to encourage people to increase their earnings and hours in a way that we have never been able to do before, helping people along a journey toward financial independence from the state.
23. The amount sanctioned under Universal Credit will be broadly equivalent to the amount that will be sanctioned under the current benefits system, that is, an amount equivalent to Jobseeker's Allowance or Employment and Support Allowance.