

The effects of benefit sanctions on lone parents' employment decisions and moves into employment

By Vicki Goodwin

Introduction

In 2001, the mandatory Work Focused Interview (WFI) was introduced for certain lone parent customers and, by 2004, had been rolled out to include all lone parents on Income Support (IS). The WFI provision is supported by the sanctions regime, and failure to take part in a WFI without good cause could result in a sanction being applied to the customer's benefit. The sanction is a reduction in the lone parent's benefit equivalent to 20 per cent of the IS personal allowance rate for a single person aged 25 or above.

The Department for Work and Pensions (DWP) contracted the Centre for Public Policy at Northumbria University, Newcastle to undertake a project of qualitative research focused upon the effect benefit sanctions have upon the labour market behaviour of lone parents. This research has been carried out in three districts in the United Kingdom and has involved both lone parent benefit recipients and Jobcentre Plus staff.

This report presents the research findings, provides a context for those findings and suggests areas that may warrant further consideration.

Project aims

The primary aim of this project was to explore the effects of benefit sanctions on lone parents' employment decisions and moves into employment. In pursuit of this there were some overarching research objectives to be considered:

- To explore the personal circumstances of lone parents and how they manage their finances.
- To determine awareness of the sanctioning process amongst lone parents who have experienced sanctions.
- To explore the experiences of lone parents living with benefit sanctions.
- To ascertain if, after receiving a sanction, lone parents are more likely to consider moving off benefit, or actually move off benefit.

Particularly pertinent to the research has been a detailed consideration of the personal circumstances of a small number of lone parents; these circumstances are pivotal in understanding more about the context within which these customers have missed a WFI and have become involved in the sanctions regime.

Only a small percentage of lone parents claiming IS incur a sanction, and it is probable that these individuals display different characteristics as a group than the entire lone parent group.

This research looks at 40 lone parent customers, all of whom are understood to have been referred for sanction or have had a sanction imposed. It must also be noted that whilst this study provides rich and detailed data in regard to the lone parents that were involved in the research, these findings cannot be considered as being representative of all lone parent customers of Jobcentre Plus. Much can be learned about the lone parents in this study but without a significantly larger research project more cannot be said about the impact

of the sanctions regime on other groups of lone parents.

Methodology

The methods employed in this research initially involved the development of a sample of lone parents across three districts. This was created through the application of a purposive approach to yield a sample that represented a range of customer circumstances and characteristics.

The fieldwork consisted of 40 semi-structured telephone interviews with lone parents. If the participant was agreeable these led on to semi-structured face-to-face interviews (31 in total). Additionally, information from Jobcentre Plus staff was gathered during three focus groups which were conducted utilising a semi-structured topic guide. The interviews and the focus groups were all recorded digitally and transcribed verbatim. The data that was gathered was qualitative in nature and was analysed using the recognised framework method of analysis.

Key findings

The research findings are discussed in detail in the main report. These findings relate both to the lone parent customers and their experiences of WFIs and sanctions and the staff experiences and views of the same.

The lone parents in the sample were found to be a heterogeneous group, encompassing individuals who shared only a few characteristics (see Section 2). An area of commonality amongst the lone parents was the existence of debt, with many reporting difficult financial circumstances (see Section 2). Further analysis of the data revealed that many of the lone parents in this study were not aware of exactly how much benefit they should receive in each payment. Amongst the lone parents there was, generally, a desire to work, although most cited a number of barriers to this becoming a reality (see Section 2.2).

These findings were supported by the data gathered during the focus groups; Jobcentre Plus staff considered that lone parent customers have multiple loans and debts, and may not have a high awareness of the amount of benefit they should receive (see Section 2.3).

The WFI was generally regarded by the customers as being useful (see Section 3.3), with the 'better-off' calculations being popular among those lone parents in this study. The negative aspects of the WFI that were reported tended to centre around the perception that the questions asked during the WFI were the same over time, although the customer's circumstances had not changed; these customers therefore felt that although the first WFI could be useful, the repeating aspect of the WFI meant that the usefulness of the interview declined dramatically with each repeat (see Section 3.3.2).

Some Jobcentre Plus staff in this study raised significant concerns in relation to the WFI title. This, and the written communications to lone parents were themes that reoccurred during the three focus groups with staff. The 'Work-Focused' element of the WFI title was considered most problematic and a disincentive to attendance (see Section 3.3.4 and Section 6.3).

Attendance at the WFI, clearly a key area to examine here, was found to be affected by a number of factors. The most common causes of a lone parent failing to attend were centred on caring responsibilities, ill health and the customer simply forgetting. The data collected in this study during interviews with the lone parents concurred strongly with the findings from the Jobcentre Plus staff in the focus groups. There was no evidence of lone parents making an active decision to not attend a WFI.

Overall, only four of the lone parents interviewed said that people should not have to attend the WFI. The other lone parents were split between the belief that attendance should be mandatory and that attendance should depend on circumstances (see Section 3.3.3). When discussing this issue several lone parents said the WFI should be in place as it helped detect

people who were 'lazy' or people who were committing fraud.

The sanction regime was fully understood by Jobcentre Plus staff who were found to be entirely familiar with the processes and procedures involved. Staff also comprehended the level of discretion that Personal Advisers (PAs) have in terms of applying a sanction (see Section 4.3.1). Lone parent customers did not tend to have knowledge specifically of the sanction regime, but almost all were aware that if they failed to attend a WFI, this could result in a benefit reduction. During the qualitative fieldwork it was noted that the word 'sanction' was not applied by the majority of lone parents who instead tended to use the terms 'benefit reduction' or 'benefit cut' (see Section 4.3).

Linked to the sanctions regime was the issue of compliance officers. The role of compliance officers was considered pivotal by the Jobcentre Plus staff; both in terms of gathering information and making sure customers were aware of sanctions (see Sections 4.2 and 4.2.1). However, none of the lone parents in this study reported having had a home visit from a compliance officer (see Section 4.2.2).

The remit of this research has been to ascertain if the imposition of a sanction has an effect on job-seeking behaviour. The findings in this study, based on the data gathered from both the lone parents and the Jobcentre Plus staff, suggest that imposing a sanction had only a negligible effect on customers' labour market decisions. The questions posed in pursuit of the research aims drew very little data that could illustrate that sanctions promote job-seeking behaviour, although a very small number of customers said that the risk of, or the implementation of, a sanction 'may' have made a difference (see Section 4.5).

In relation to sanctions, a further important factor in this research was to understand a little more about those who have incurred a sanction and those who have continued to live with a sanction. Chapter Five examines this group of customers in detail. These lone parents, in comparison to the wider sample in this study,

demonstrated higher levels of ill health, both of themselves and of their children (see Section 5.2). Additionally, a greater prevalence of debt was noted alongside a general disinclination to check benefit payments, even when the amount received was believed to be incorrect (see Section 5.2).

Explanations as to the reasons for a reduced benefit payment tended to revolve around social fund loans. Reactions to the reduced amount involved reducing spending on basic provisions, or borrowing money (see Section 5.3). These findings are supported, in the main, by the data gathered from Jobcentre Plus staff in the focus groups (see Section 5.5).

Chapter Six details some factors not considered in the previous chapters, but raised specifically by Jobcentre Plus staff. These include the letters used in relation to the WFI and to sanctions, the WFI title, and the impact of Direct Payments.

In this study it has been noted that some of lone parents have described challenging home environments. These were most notable amongst the group who have continued to live with a sanction. Considering these raised further issues about the role of compliance officers, waivers and deferrals as well as the application of the 'vulnerable group' category. These are considered in Chapter Eight.

Conclusions

The discussions in Chapter Seven revisit the summary conclusions made at the close of each of the previous chapters. Some of these concluding findings are noted in brief ahead.

In this study, lone parents, as a group, were heterogeneous in nature, sharing only some common characteristics.

The lone parent customers in this study had a general understanding of the risk to benefit associated with failing to attend a WFI. The data illustrated that failing to attend a WFI tended to be for reasons linked to health, caring responsibilities or general levels of disorganisation (forgetting the appointment).

This research suggested that incurring a sanction does cause some lone parents stress. However, the majority of lone parents in this study reported being unaware of a sanction until they noticed a reduced benefit payment.

There was no evidence gathered in this study to suggest that customers who continued to live with a sanction had made an active decision to do so, instead they appeared to be unaware of their reduced rate of benefit.

In response to the key research question of this project, this study has found that amongst the lone parents in this sample, the sanction regime has had negligible effects upon labour market behaviour. This finding is based upon data from both the lone parent customers and Jobcentre Plus staff in the focus groups.

The full report of these research findings is published by the Department for Work and Pensions (ISBN 978 1 84712 396 1. Research Report 511. July 2008). It is available from Paul Noakes at the address below.

You can also download this report free from:
www.dwp.gov.uk/asd/asd5/rrs-index.asp

Other report summaries in the research series are also available from the website above and from:

Paul Noakes,
Central Social Research Services,
2nd Floor, The Adelphi,
1-11 John Adam Street, London WC2N 6HT.
E-mail: Paul.Noakes@dwp.gsi.gov.uk

If you would like to subscribe to our email list to receive future summaries and alerts as reports are published please contact Paul Noakes at the address above.