

Corporate Watch

Revealed: the punishing reality of the coalition's welfare reforms

Sanctioning – stopping someone's benefits after a perceived infringement of the terms of their claim for between one week and six months – was a favourite policy of the previous government but figures revealed by Corporate Watch and the *Observer* today show the coalition, together with sub-contracted private 'provider' companies, has massively increased the amount of sanctions imposed.

Read a personal experience of being sanctioned [here](#).

139,000 sanctions were handed out to Jobseeker's Allowance¹ claimants in 2009 but this more than tripled to 508,000 in 2011, the coalition's first full calendar year in government.² There was little change in the number of people signing on in this period, meaning a much higher proportion of people have had their benefits cut under the coalition.³ In February 2011 for example, 1.44 million people were claiming JSA compared to 1.42 million in 2009. 51,000 sanctions were imposed in the former month, compared to 9,000 in the latter.

Many of these sanctions are initially suggested, or 'referred', to the Department of Work and Pensions by the private companies the government has sub-contracted to run many of its welfare schemes, such as the flagship Work Programme, for people who have been signing on for a year or more. DWP statistics, obtained by a Corporate Watch freedom of information request (download the disclosure [here](#)), show companies such as Serco, Seetec, Working Links and A4E have been even more eager to sanction people than the government.

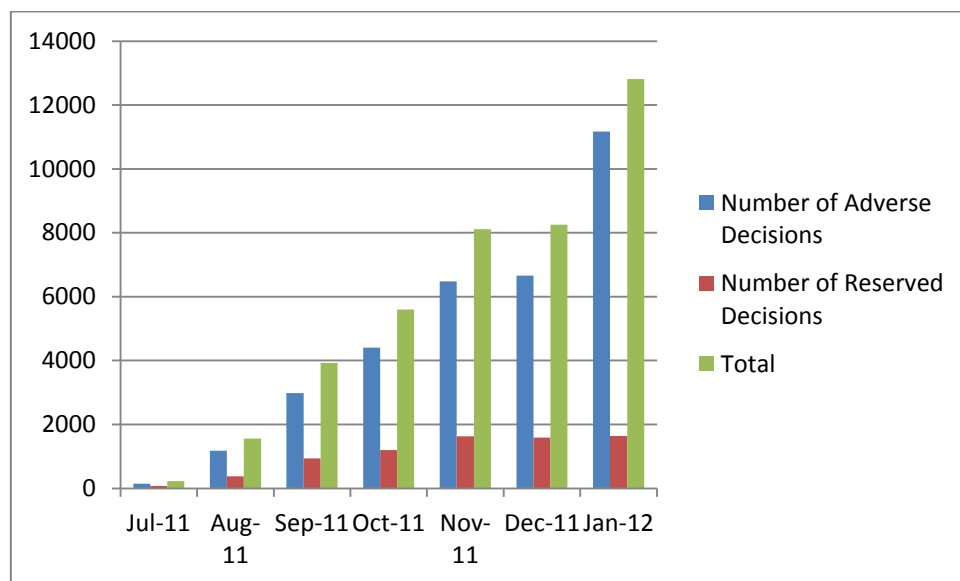
¹ We don't have the figures for sanctions on other benefits such as Employment Support Allowance.

² Number of [varied](#) and [fixed](#) length sanctions combined. The total number of sanctions deemed appropriate was actually higher than these figures in both years as they do not include 'reserved' decisions, meaning a claimant has stopped signing on by the time it has been decided to enforce the sanction.

³ Note these figures refer to the total amount of sanctions applied, rather than the number of people sanctioned (so the same person could have been sanctioned more than once. Similar figures for the number of people sanctioned are not available).

The companies referred over 110,000 cases to the DWP for sanctioning between the start of the Work Programme in June 2011 up to January 2012, the last month figures were available (they do not have the power to sanction but they can suggest claims should be sanctioned to the DWP, which then decides whether the reasons given by the provider are appropriate).

The DWP only decided to approve sanctions for 40,000 of those referrals:

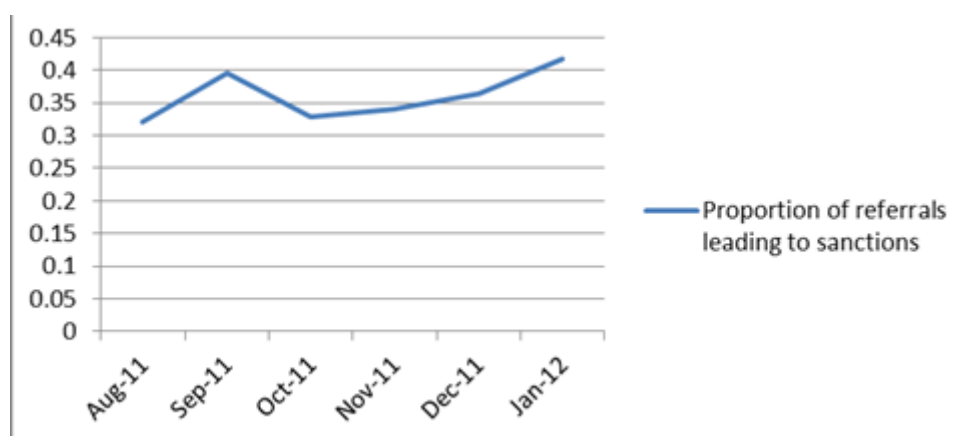


(An 'Adverse Decision' is a decision against the claimant, ie - a sanction. A 'Reserved Decision' means a claimant has stopped signing on by the time it has been decided to enforce the sanction.)

21,000 remain 'outstanding referrals', i.e. they are still to be dealt with. However in 31,000 cases, the DWP found in favour of the claimant and denied the referral. On average, therefore, 28% of the time the companies are trying to cut people's benefits without suitable cause (and that's suitable by the DWP's already severe standards).

518,000 people were enrolled on the Work Programme by January. After the initial start-up period, the rate of referrals has stayed fairly proportionate to the rate of people on the programme, at about 6%, suggesting providers may have a referral quota or target.

However, the rate the DWP is accepting referrals from providers and deciding to sanction claimants is rising. After the first three months, the rate has increased from just over 30% to over 40% in January, suggesting the DWP is becoming more persuaded by whatever reasons the providers are giving to sanction:



These figures will raise further concerns over the suitability of these companies to be involved in welfare programmes, but it is worth noting that the only charity sub-contractor, the Careers Development Group, is not coy about sanctions, having referred more people than Seetec and only 400 less than A4E in East London, where they have the Work Programme contracts.

Commenting on the figures, a spokesperson for claimant's group Ipswich Unemployed Action said: "This shows that the Government is using the DWP to punish unemployed people instead of helping them get jobs."

Number of referrals by provider companies

Provider	Number of referrals	Region
Seetec	5510	East of England
	1430	East London
Ingeus	4640	Manchester, Cheshire and Warrington
	2350	East of England
	2870	East Midlands
	1130	West London
	3510	North East
	2750	Merseyside, Halton, Cumbria and Lancashire
	4390	Scotland
	2210	West Yorkshire

A4E	2710	East Midlands
	1920	East London
	3200	Merseyside, Halton, Cumbria and Lancashire
	1290	Thames Valley, Hampshire and Isle of Wight
	2000	South Yorkshire
Maximus	1560	West London
	1490	Thames Valley, Hampshire and Isle of Wight
Reed	2890	West London
Working Links	7450	Scotland
	1300	Devon and Cornwall, Dorset and Somerset
	2260	Wales
TNG/Avanta	3250	North East
	2570	Manchester, Cheshire and Warrington
	2700	Surrey, Sussex & Kent
CDG	1560	East London
G4S	2640	Manchester, Cheshire and Warrington
	2700	Surrey, Sussex & Kent
	2440	North East Yorkshire and the Humber
Prospects	420	Devon and Cornwall, Dorset and Somerset
		Gloucestershire, Wiltshire and Swindon, West
JHP	650	of England
		Gloucestershire, Wiltshire and Swindon, West
Rehab Group	410	of England
	5280	Wales
EOS Works Ltd	5080	Birmingham and Solihull, the Black Country
Newcastle College		Birmingham and Solihull, the Black Country
Group	1720	
	4170	North East Yorkshire and the Humber
Pertemps	1810	Birmingham and Solihull, the Black Country
		Coventry, Warwickshire, Staffordshire and
ESG	2120	the Marches
		Coventry, Warwickshire, Staffordshire and
Serco	4360	the Marches
	4730	South Yorkshire
Best	2960	West Yorkshire

(Note that the figures don't necessarily tell you how severe a company's sanctioning policy is as we do not know how many people have been sent to each of them. So although Working Links tops the list, having raised doubts over 7,500 cases in Scotland, the proportion of people it sanctions is not necessarily worse than the others.)

Do it yourself:

You can keep up to date with the latest macro level figures from the DWP from [here](#).

PERSONAL VIEW

Karen from the London Coalition Against Poverty describes the suffering caused by benefit sanctions, and questions the political agenda encouraging them.

There is a popular assumption that the current government's welfare agenda is based on lack of knowledge and understanding of how difficult life is for many poor people in Britain. But while there is breath-taking ignorance among the ruling classes regarding the level of suffering currently being endured, the actual agenda is much more pernicious; in the battle for scarce resources, the poor do not matter where wealth and privilege for the minority are at risk. The cost is the mental, physical and social wellbeing of those who have been left with no resources to assist them.

People are regularly left hungry, depressed and in despair by the vicious behaviour of Jobcentre Plus. If this place was called "The Centre for Patronising and Processing" and stamped your forehead at the door, it couldn't have a more demoralising effect. A London Coalition Against Poverty member, who is in a vulnerable situation, recently had difficulty completing her job booklet accurately. She was 'warned' about this but was offered no help or support. Her benefit was subsequently stopped for two weeks. What do you do when this is your sole income and you have no other resources to draw on? She felt so desperate, she considered begging just to try and get something to eat and alternated between rage and hopelessness for the entire fortnight. Poverty does that to you.

In my own case, I was so frozen by stress after having my benefits stopped for several weeks that I couldn't face opening my post or answering any of the many phone calls demanding payment, as I knew I was powerless to do anything about it and would just end up shouting at the cold, arrogant jobsworth on the other end of the phone. One conversation with the benefits office ended with me shouting: "maybe me and my children should just sit in a corner and starve, then you can keep your money and be happy". Naturally, at this point, I was told that the phone call could be terminated as I was shouting.

In the midst of this, you are expected to deal with threatening creditors, care for children (alone, in my case), carry out extensive job searches, apply for countless jobs with no success and attend a variety of benefits appointments where you are treated like an insignificant scrounger, often by those whose social and communication skills leave a great deal to be desired. You can never be late or forget an appointment, despite the fact that these change regularly and you are so stressed you barely know what day of the week it is. Most of all, you must impress your "advisor" with your job search commitment so they will sign the piece of paper for your £67.50 in order for you to eke out your pitiful existence for another week.

Poverty dehumanises. It leaves people with the sense that they don't matter. Which brings us back to the Tory agenda. Does David Cameron spend days searching for school shoes that fit, that won't embarrass his kids but that he can actually afford? Does he lie awake at night wondering how to get three more meals out of the scraps left in the fridge? Does he dread Christmas, birthdays or school holidays, knowing the inevitable disappointment and added stress these will bring, and the knowledge that this is not how it's supposed to be but there doesn't seem to be any way out? No, no and no again.

It's jarring to always respond to your bright-eyed teens with "What part of 'no money' don't you understand?" when the consumerist agenda is all-pervasive and when not being the odd one out seems so important. 'Walking your own road' and 'not caving-in to pressure' are fine principles to live by (which I do) but it is fiendishly difficult to encourage your offspring to ignore reality, aim high and want the best for their future, when their present keeps them trapped in an impossible cycle of need and low expectations.

The government agenda is not just about ignorance, it's much worse: greed, self-preservation and a motivation to kick those who are too tired, worn-out and demoralised to fight back. So while men like David Cameron, at the top of this heap, continue to cocoon themselves, and those like them, in their nests, the phrase "all in it together" isn't just an insult. It's a match to the fuse.

Have you been sanctioned and want to share your story? Contact Corporate Watch on contact@corporatewatch.org or 02074260005.