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Disabled People's Experiences of the  
Employment and Support Allowance  
Work Related Activity Group

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# 1. Executive Summary & Key Findings

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People seeking support through Employment and Support Allowance (ESA) are asked to complete a Work Capability Assessment (WCA). After assessment, eligible claimants are assigned to either the Work-Related Activity Group (WRAG) or the Support Group (SG).

WRAG claimants are deemed suitable for some work related activity and are; “required to attend work-focused interviews and undertake “work-related activity”, such as work experience, training or participating in the Work Programme.” (Commons Briefing Paper [CBP], 2017). Failure to engage in work related activity can lead to ESA being cut or ‘sanctioned’. This sanction can involve losing up to 100% of ESA if work related activity is not completed to the satisfaction of the Job Centre Plus worker. Support Group claimants are not expected to undertake work related activity, but are entitled to do so if they wish.

In 2015/2016 an estimated 2.5 million people in the U.K. were in receipt of benefits, (primarily ESA), costing approximately £14.7 billion (House of Commons Briefing Paper, 2016).

Approximately 18% (429,000) of all claimants were assessed and placed in the WRAG (CPB, 2017).

Of those in receipt of ESA, just under 50% of ESA claimants received the benefit due to ‘mental and behavioural disorders’ (CBP, 2017).

From April 2017 onwards, ESA WRAG claimants should receive the same amount of money as those claiming Job Seekers Allowance. In real terms this marks a decrease (on average) of approximately £28.05 per week (DWP, Impact Assessment, 2015).

Under Universal Credit, the ESA WRAG is being replaced by the Limited Capability for Work group (LCW). The ESA Support Group is replaced by the Limited Capability for Work Related Activity group (LCWRA).

Given the high proportion of people in the ESA WRAG with mental health problems, it is appropriate that a psychological framework is used to investigate to what extent these reforms are offering the right ‘incentives’ in encouraging behaviour change, and in order to establish its impact upon the ongoing mental health of ESA WRAG claimants.

## Key Findings

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- There is evidence from all participants in this study that engagement with the ESA WRAG has had significantly detrimental effects on their mental health.
- Participants expressed a desire to engage in work related activity and many found meaning in vocational activity, however this was different from what was expected from them as part of their engagement in the WRAG where less meaningful tasks were prioritised.
- Rather than incentivising work-related activity as Conditionality intends to do, there is evidence that participants were driven by a range of perverse and punitive incentives whereby they were asked to engage in activity that undermined their self-confidence and required them to understate their previous achievements.
- The impact of Sanctions was life threatening for some participants. The underlying fear instilled by the threat of Sanctions meant that many participants described living in a state of constant anxiety. This state of chronic fear is unlikely to enable people to engage in work related activity and so is an ineffective psychological intervention. This was exacerbated by the unpredictable way that Conditionality was applied, leaving some participants unsure how to avoid Sanctions.
- The incentives designed to encourage people to engage in work related activity are based on psychological theory from the field of Behavioural Economics. On the basis of this study we conclude that these models of behaviour change are not applicable for Disabled people accessing benefits. The incentives offered by Conditionality and Sanctioning involve threats of removing people's ability to access basic resources. This induces a state of anticipatory fear that negatively impacts on their mental health and renders them less able to engage in work related activity.
- We would recommend that the use of Conditionality and Sanctioning is stopped as incentives to enable Disabled people to engage in work related activity. They are ineffective and instead offer a range of perverse and punitive incentives that are detrimental to health.
- We would encourage more active engagement with Disabled People's Organisations to develop alternative ways of engaging Disabled people in work related activity.

## 2. Policy Context

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Starting in 2007, Incapacity Benefit, Income Support and Severe Disablement Allowance were all replaced with Employment and Support Allowance (ESA). Following the 2012 Welfare Reform Act, all claimants were required to undergo mandatory reassessment and many people with long-term health problems and impairments were transferred onto ESA. The ESA is an income replacement for people with a disability, or health condition that limits their capacity to work. People seeking support through ESA are asked to complete a Work Capability Assessment (WCA). After assessment, those claimants deemed eligible for the ESA are placed into one of two groups: the Work-Related Activity Group (WRAG) or the Support Group (SG).

Claimants placed in the WRAG are deemed suitable for some work-related activity and are; “required to attend work-focused interviews and undertake “work-related activity”, such as work experience, training or participating in the Work Programme.” (House of Commons Briefing Paper [CBP], 2017).

People placed into the Support Group are not expected to undertake work related activity, but are entitled to do so if they wish. For those in the WRAG, failure to engage in work related activity can lead to ESA being cut or ‘sanctioned’. This means that ESA payments are now ‘conditional’ on the claimant being seen to be compliant with the requirements of the ESA programme. Failure to be compliant with ESA rules can result in a sanction, levied against a person. This sanction can involve losing up to 100% of ESA if work related activity is not completed to the satisfaction of the Job Centre Plus worker.

In 2015/2016 an estimated 2.5 million people in the U.K. were in receipt of benefits, (primarily ESA), costing approximately £14.7 billion (House of Commons Briefing Paper, 2016). Approximately 18% (429,000) of all ESA claimants were assessed and placed in the WRAG (CBP, 2017). Of those in receipt of ESA, just under 50% of ESA claimants received the benefit due to ‘mental and behavioural disorders’ (CBP,2017). The Welfare Reform Act (2016) legislated that any new claimants from April 2017 onwards, who were placed in the ESA WRAG should receive the same amount of money as those claiming Job Seekers Allowance. In real terms this marks a decrease (on average) of approximately £28.05 per week (DWP, Impact Assessment, 2015). This decrease for new claimants is designed to ‘...remove the financial incentives that could otherwise discourage claimants from taking steps back to work’ (DWP, Impact Assessment, 2015).

This reduction of the ESA WRAG payment to JSA levels marks a change to a long-standing feature of welfare legislation that placed benefits for Disabled people at higher rates than those who are unemployed. The reasons for this historic differential have been attributed to the extra costs incurred by people living with a disability or long-term health condition and the financial impact that long-term absence from paid employment has relative to short-term unemployment (Berthoud, 1998).

The current operation of the ESA WRAG payments seems to prioritise a particular type of claimant who is absent only in the short-term from the labour market. Furthermore, it assumes that the ESA WRAG scheme will be 100% successful in all cases and that placement in this scheme will expedite a return to paid employment. Evidence from organisations like Inclusion London suggest that this is not true. The government's stated ambition is to increase the number of Disabled people in work by one million by 2027 (Improving Lives, 2017). The policy changes described above amount to, from a psychological perspective, a 'nudge' model of behavioural economics whereby individual behaviour change is encouraged using 'incentives' such as 'Conditionality' and 'Sanctioning' to enable ESA WRAG claimants to engage in work related activity. Given the high proportion of people in the ESA WRAG with mental health problems, and given the psychological assumptions this nudge model rests upon, it is appropriate that a psychological framework is used to investigate to what extent these reforms are offering the right 'incentives' in encouraging behaviour change, and in order to establish its impact upon the ongoing mental health of ESA WRAG claimants. One key way to do that is to interview Disabled claimants to find out how these incentives affect them.

### 3. Research Context

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The project was jointly conceived by the University of Essex and Inclusion London. The joint nature of the project ensured ecological validity and access to Disabled people via Inclusion London, alongside the research group at the University of Essex. Research supervision was offered by both organisations. The research was not externally funded.

The research utilized qualitative interviews to explore Disabled people's experience of being placed in the ESA WRAG. Participants were asked about Sanctions and Conditionality, and about any impact they felt that this had upon their job-related activities and health and functioning. A total of 15 people were recruited into the study, nine male participants and six female participants, with an age range of 29-63 (mean age 42). Ten participants described their ethnicity as White-British, one as White-English, one as White-Scottish, one as Black-African, one as British-Asian and one of the participants' ethnicity was unknown. Thirteen of the 15 participants were in the ESA WRAG at the time of interview and two had been moved out of the ESA WRAG onto Job Seekers Allowance in the previous four months. Thematic Analysis (Braun and Clarke, 2006) was used to code, categorise and cluster the data into relevant themes and sub-themes.

## 4. Findings

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Following the data analysis, a number of key themes were co-constructed. These included both positive and negative experiences of being in the ESA WRAG, which related to how participants experienced their impairments and highlighted their current relationships to work. Other themes included more negative experiences of Conditionality, which included feeling controlled, a lack of autonomy and work activities which participants felt were inappropriate or in conflict with their personal values. A further key theme was the negative experiences of Sanctions and how this created a constant state of anxiety and fear among some participants. Finally, those who had experienced Sanctions found that the impact meant that their mental health difficulties were exacerbated, moving them further away from their own goals, which were related to finding work which had meaning and value.

### 4.1 Findings: Impact of being in WRAG

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There were mixed responses to the impact that being placed in the WRAG had upon participants. Some such as Hannah found some positive meaning in the vocational focus;

“The judge said he wanted to sign me off for life and I said I can’t just sit at home cause that’s what drives you more crazy. You don’t like going out, you don’t want to go out. It sends you a bit cuckoo... So being in a WRAG benefit employment thing is more, I think it’s more, it keeps us more stable.” (Hannah<sup>1</sup>)

However, the view among some participants was that placement in the WRAG did not adequately match up to their experience of living with illness/impairment/distress.

“I’m not able to work, I shouldn’t be in that group at all... it didn’t suit me because I’m long term ill and I’ve got no prospects to go back to work... They weren’t going to make it easy for me, being ill and trying to claim money.” (Frank).

A number of participants highlighted the perverse incentives brought about by changes to how ESA is administered, making it less likely that they will be safe to take the risk of moving into employment;

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<sup>1</sup> \*No real names have been used

“The new payments for ESA from this year are £73 a week as opposed to £102. Well if you’re on £102 a week because you’ve been on it for longer than 6 or 12 months and you know if you go back to work and it turns out you’re not well enough to carry on then you’re coming back at the new rate of £73 per week. That’s going to make you more cautious and it’s counter-productive and it increases the stress.” (Daniel).

“After 13 weeks I have to go and put a new claim in. After 13 weeks if the job doesn’t last, or if I get made redundant, or if I get terminated or the contract stops, I then have to go into starting all over again. Reassessment etc. So, I’m worse off.” (Dipesh).

## 4.2 Findings: Impact of Conditionality

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All participants talked about having negative experiences of Conditionality and how it was operationalized in their contact with Job Centre Plus staff and in the training offered to them. Nailah speaks to many participants’ experiences when saying that the training was not well pitched to their needs, making engagement futile;

“I don’t have any problem getting job, it’s just that I can’t work because of my health... So, the one they are sending me to they were even too low to my grade, to my standard... The trainer says I’m more advanced than what they are teaching so they don’t want me in the class. I explained that back to, what I want Job Centre can’t provide it. Anything higher, they don’t, they are below. I think what they are doing is up to level 2. They don’t do anything, GCSE, those are what they do. Anything above they won’t.” (Nailah).

Charlie describes another form of perverse and punitive incentive whereby in the WRAG his qualifications become an impediment to employment, not an asset;

“So when the Job Centre says to you, you should remove your degree from your CV because they don’t want you to be over qualified when you apply for the jobs they give... The impact on your feeling of self-worth... They told me to remove it and if I didn’t I would be punished and would be sanctioned... This is the way that the Job Centre chips away at your confidence and all those sorts of things.” (Charlie).

Ben's observations underpin the implicit threat many participants felt was omnipresent with Conditionality and required engaging in activity that was counter-productive to health and employment;

“There's still the implicit contract, where if they say jump we have to say how high. They can send us on any courses they want... they've never sort of explicitly said that we'll be expected to do X, Y and Z. But the letters would sort of say, along the lines of... of if your work advisor suggests a course and you do not attend without a good reason your benefits may be sanctioned or whatever... so my claimant commitment is hidden in the regulations where decision makers can put us on X Y course.” (Ben).

### 4.3 Findings: Impact of Sanctions

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The stark impact of Sanctions is described by Charlie. We include a fuller narrative in this case as it incorporates a number of the themes that came up for the sample as a whole- the perverse and punitive incentives and double binds involved in the WRAG, the mental health crises caused by Conditionality and Sanctioning, and how these pushed people further away from employment.

“It became a really stressful time for me... we didn't have a foodbank that was open regularly so I didn't have that as an option... So, what I was doing instead, because quite quickly my electricity went out... So, all my food was spoilt that was in the freezer. I managed to last for another 5-6 days of food from stuff that I had in the house. So, after that I started to go, I was on a work programme but was never called in. So, I'd go in anyway and there were oranges and apples in a fruit bowl, so I would just go in there and steal the oranges and bananas so I would have something to eat. Then they finally made a decision that I was going to be sanctioned... And there was this image which will probably stay with me for the rest of my life. On Christmas day I was sat alone, at home just waiting for darkness to come so I could go to sleep and I was watching through my window all the happy families enjoying Christmas and that just blew me away. And I think I had a breakdown on that day and it was really hard to recover from and I'm still struggling with it. And it was only my aunt, I've got an aunt in Scotland, every year she sends me £10 for my birthday and £10 for Christmas. And so on the Saturday after Christmas, the first postal day,

I received £20 from her and so then I could buy some electricity and food. I was then promptly sick because I'd gorged myself, because I ate too quickly." (Charlie).

Charlie then described meeting with the same advisor who had sanctioned him following the Christmas break and how it has affected him since:

"So finally, when new year had ended and I had to go back and sign with that same woman who had sanctioned me. She said that being sanctioned had shown her that I didn't have a work ethic. Now I'd been working pretty much solidly since I was 16 and it was only out of redundancy that I was out of work... The problem I had with that was the woman who sanctioned me was in the same place and it made me extremely nervous. I now have a problem going into the Job Centre because I literally start shaking because of the damage that the benefit sanction did to me... So yeah that was part, the sanction was one of the reasons that triggered the mental health and problems I'm having now... it was awful and I ended up trying to commit suicide... to me that was the last straw and I went home and I just emptied the drawer of tablets or whatever and I ended up in A&E for a couple of days after they'd pumped my stomach out." (Charlie).

Dipesh spoke about being sanctioned following failure of a WCA. For example,

"the thing is emotionally inside it sort of drains me. I feel like someone's put a knife through my stomach. I feel emotionally depressed and not happy. ...Very horrible experience, I would never want anybody to go there." (Dipesh).

Hannah talks about how Sanctioning does not have to be applied, the threat itself is enough to have negative effects on mental health:

"But just the thought of being sanctioned is a worry in itself... How am I going to pay for this and that... Sorry I'm getting agitated about it now... am I going to have enough money to put on my heating, I've got arthritis... If they don't see that you're doing enough on job searches and that, they can sanction you when they feel like it. So, if they decide this universal match thing, that I ain't done enough, that's it, I'm getting sanctioned and there's nothing nobody, I can't say I was in hospital, I was under anaesthetic, they don't care about that." (Hannah).

## 5. Implications for Policy

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From a psychological perspective, the ‘incentives’ of Conditionality and Sanctioning designed to encourage work related activity appear to have had the opposite effect for participants in this study. This is partly due to the incentives being experienced as perverse and punitive by participants. The incentives were perverse in that they required participants to understate their qualifications and experience in order to enter into any form of employment. The incentives were punitive in that they used the threat of withdrawal of benefits as a way to change work related activity. These threats resulted in participants describing a state of constant anxiety, which left them less able to engage in work related activity.

The use of incentives to change behaviour draws on insights from Behavioural Economics. Incentives in this area have been used to encourage citizens to engage in a range of behaviours, from smoking cessation to early payment of bills. In the case of ESA, the use of incentives has been reversed and instead of positive ‘nudges’, the use of threat of removal of benefits has had detrimental effects on participant’s mental health. By inducing a state of fear, the perverse and punitive incentives are counterproductive, making participants less able to engage in work related activity. As such, this study finds no evidence to support the use of this modified form of Behavioural Economics in relation to Disabled people.

The findings from this study mirror other recent evidence derived from research analysing the impact of Conditionality and Sanctions on Disabled people (Dwyer, Jones, McNeill, Scullion and Stewart, 2018).

New psychological models of how to engage Disabled people in work related activity are needed and this study found evidence that participants wanted to engage in meaningful vocational activity. Based on the co-produced methodology used in this study, we suggest that engagement with Disabled groups in order to develop more effective strategies to help one million more Disabled people enter employment by 2027.

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