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**Director General for Regulation**

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Dear Jonathan,

**DWP Statistics – Press Statements accompanying Benefits Sanctions statistics release 13 May 2015 and Work Programme release 18 June 2015**

Thank you for drawing my attention to these press statements from the Department for Work and Pensions.

In relation to the benefit sanctions statistics, you highlighted concerns over the figures quoted in the press release of 13 May 2015 which stated:

*"Sanctions are only used as a last resort in a small percentage of cases, with over 94% of JSA claimants and 99% of Employment and Support Allowance (ESA) claimants not being sanctioned."* <https://www.gov.uk/government/news/benefit-sanctions-down-as-more-people-helped-into-work>

We have investigated these figures and sought a clarification from DWP about the method used to obtain the percentage of claimants receiving a sanction. DWP informed us:

These proportions are calculated by taking the average number of decisions to apply a sanction (for each benefit separately) per month over the last 12 months in which statistics have been published (i.e. the 12 months to December 2014) and dividing by the average caseload (for each benefit separately – for ESA only the work related activity group because this group is subject to work related conditionality) per month over the same period.

These calculations give 'sanction rates' of 5.2% for JSA and 0.6% for ESA, which translate into 'over 94% (for JSA) and over 99% (for ESA) not being sanctioned.

There are a number of aspects of methodological choice here which are not explained. DWP's press statement does not give the reference time period for the percentage. In relation to Jobseekers' Allowance (JSA), one person can receive more than one sanction – we understand the calculation uses decisions, while the press statement refers to claimants. The statement also describes the practice of using sanctions as a 'last resort', but it is not clear whether the calculation includes the initial decision to put a sanction in place, or the smaller number of sanctions which remain in place after review. It is also unclear how the calculation treats 'reserved' sanctions, where the person no longer claims JSA.

The calculation also mixes data sources – it uses Stat-Xplore/Tabulation Tool data for the numerator and ONS’s Claimant Count for the denominator – with various known inconsistencies. The Claimant Count is no longer designated as National Statistics. A copy of our letter, removing National Statistics designation for the Claimant Count, can be found here <http://www.statisticsauthority.gov.uk/reports---correspondence/correspondence/index.html>

Underlying the Code of Practice for Official Statistics is an imperative requiring equality of access. In any piece of analysis it is important to be clear about how calculations are made and for it to be straightforward to replicate them. I am particularly concerned that these sanction statistics are unclear, that the method is not publically explained and has weaknesses that can and should be addressed. While the figures can be obtained through Stat-Xplore, with some effort, users are left with uncertainty over the specific method and data used to derive the percentages. As a consequence I have contacted the Head of Profession for Statistics at DWP to seek reassurance that the Department will ensure to publish the sanction statistics, the underlying data and explanation of the method adopted in a form that is accessible to users within the Official Statistics release on sanction decisions.

You raised two specific concerns about DWP’s press notice on the Work Programme <https://www.gov.uk/government/news/work-programme-helps-drive-long-term-unemployment-to-5-year-low> :

- The first relates to the part of the statement that “*More than 433,000 long-term unemployed people are now in work because of the Work Programme...*” The statistics release to which the press notice refers says “*In total 433 thousand individuals have found sustained employment of at least 3 or 6 months whilst on the scheme*”. The Deputy Head of Profession for DWP has confirmed that this Press Statement was cleared with relevant officials responsible for the monitoring and management of DWP’s contracted employment programmes. He agrees that the statement in the Press Notice is potentially misleading and should have read “*More than 433,000 long-term unemployed people have entered work through the Work Programme*” and has apologised for any confusion which this statement might have caused. While it is unfortunate that the Press Notice was not entirely accurate, the statistical release itself accurately represents the data.
- Your second point about the part in the press statement that “*official figures showing the scheme has helped more people than any previous employment scheme*” DWP has defended the press statement, quoting numbers of people starting on the Work Programme compared with numbers on previous schemes, all of which had fewer starts than the Work programme. On this basis, I am not strongly inclined to challenge the wording adopted by DWP.

I am copying this letter to the Deputy Head of Profession at DWP, Neil McIvor, and to John Pullinger, the National Statistician.

Yours sincerely,



Ed Humpherson