
Chair of the UK Statistics Authority, Sir Andrew Dilnot CBE

Dr David Webster
By email

5 August 2015

Dear Dr Webster,

BENEFIT SANCTION STATISTICS

Thank you for your letter of 27 July 2015 regarding statistics on benefit sanctions.

Your letter included reference to a Freedom of Information Act response provided by the Department for Work and Pensions (reference 2014-4972). This set out the sanction rates for Jobseekers Allowance (JSA) claimants between April 2007 and March 2014, specifically providing an annual proportion of claimants receiving at least one sanction in 2013/14 of 18% (extracted table attached below). This figure contrasts with the statement in DWP's press release of 13 May 2015 which described sanctions as 'a last resort in a small percentage of cases', with over 94% of JSA claimants not receiving a sanction.

These different calculations reflect the fact that there are alternative questions that can be asked and various ways of undertaking the analysis. The calculations cover different time periods and use different measures. The Department's analysis reported in the 13 May press release covers the average rate of 'adverse' sanction decisions in a single month compared to the ONS Claimant Count. In contrast the FOI response calculates the proportion of claimants receiving an 'adverse' sanction in a year.

Your letter also raised a question about the definition of sanction applied – whether the calculation should reflect 'adverse' sanctions or all sanctions. DWP seeks to apply the sanction within the week of the benefit 'offence' (or the following week if the JSA benefit has already been paid)¹. The process then allows for a review of the decision. It may be confirmed as 'adverse', or revoked, that is, categorised as 'non-adverse', in which case any withheld benefits are subsequently paid to the claimant. Other types of decision outcomes are where the referral was reviewed and determined to be unfounded and so cancelled; and, 'reserved' decisions. In these latter cases the JSA claim has ended but the sanction decision is 'adverse' – it is consequently held over and applied if the person claims JSA at a later date. Decisions may be challenged and go through formal reviews, with Mandatory Reconsiderations and tribunal appeals. 'Adverse' sanctions accounted for around half of all

¹ <https://www.gov.uk/government/collections/jobseekers-allowance-sanctions>

sanction decisions in 2014. We suggest that statistics should be made available that cover the full set of definitions of sanctions, and do not focus exclusively on those leading to a subsequent 'adverse' sanction.

You also raised other matters about the statistical approach taken by DWP and the nature of its commentary. Ed Humpherson, the Authority's Director General for Regulation, will write to DWP's Head of Profession for Statistics suggesting a more comprehensive analysis of sanction rates for JSA claimants supported by a clear explanation. We will be making the following recommendations to the Department with respect to its reporting of these official statistics.

- Provide users with benefit sanction statistics based on the actual number of sanctions applied, making clear the numbers of reviews, reconsiderations and appeals.
- Make clear the limitations associated with the statistics.
- Include in the quarterly benefit statistics bulletin a statement of the proportion of JSA claims subject to a sanction, as well as the proportions of claimants who have been sanctioned during the most recent one-year and five-year periods, and the numbers on which these proportions are based.
- Ensure all statements made using the official statistics are objective and impartial and appropriately apply the definitions of the variables underpinning the data, including 'actively seeking work'.
- Extend the range of benefit sanction data available by addressing the gaps in information on repeat sanctions and hardship payments, alongside the development of sanction data from the Universal Credit system.

I am copying this letter to David Frazer, Head of Profession for Statistics at DWP, and John Pullinger, the National Statistician.

Yours sincerely,

A handwritten signature in black ink, appearing to read "Andrew Dilnot". The signature is written in a cursive, slightly slanted style.

Sir Andrew Dilnot CBE

Extract from Freedom of Information request 2014-4972²

Total number of individuals who a) received Jobseeker's Allowance and b) received at least one JSA adverse sanction decision, at any time during April 2009 and 31 March 2014 and at any time in each year in Great Britain: April 2007 to March 2014

Financial Years	Number of individuals claiming JSA	Number of individuals receiving an adverse JSA sanction	Percentage of the total number of individuals claiming JSA
09/10 to 13/14	8,232,560	1,833,035	22%
2007/2008	2,177,900	256,021	12%
2008/2009	2,935,950	286,694	10%
2009/2010	3,576,580	386,979	11%
2010/2011	3,470,100	523,042	15%
2011/2012	3,484,940	460,780	13%
2012/2013	3,492,890	557,858	16%
2013/2014	3,097,630	568,430	18%

Source:

DWP Work and Pensions Longitudinal Study (WPLS), Stat-Xplore

Notes:

1. JSA figures are rounded to the nearest ten. Percentages are shown to the nearest whole number. JSA sanction figures in this table have had statistical disclosure control applied to avoid the release of confidential data.
2. Individuals claiming JSA are those who have had at least one live computerised claim at any point throughout the period 1 April to 31 March and will only be counted once in the figures above.
3. JSA claimants who have had more than one sanction applied in the period 1 April to 31 March will only be counted once in the figures above.
4. Please note that the proportions are derived from unpublished information which have not been quality assured to Official Statistics publication standards. They should therefore be treated with caution.

² https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/402593/4972-2014.pdf