

**Disability and Work  
Division**

**ESA Sanctions  
Official Statistics**

May 2011

# Executive summary

This is the official statistics publication of conditionality sanctions<sup>1</sup> applied to customer in receipt of ESA (Employment and Support Allowance) who are in the Work-Related Activity Group (WRAG)<sup>2</sup>. It contains figures up to 28<sup>th</sup> February 2011.

## The headline figures are:

There were 4,150 conditionality sanctions applied to ESA customers in the WRAG between 1<sup>st</sup> March 2009 and 28<sup>th</sup> February 2010<sup>3</sup>.

There were 12,190 conditionality sanctions applied to ESA customers in the WRAG between 1<sup>st</sup> March 2010 and 28<sup>th</sup> February 2011.

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<sup>1</sup> A conditionality sanction may be applied to a customer's benefit if they fail to attend or participate in any one of their six Work-Focussed Interviews without good cause. Figures include a small number of sanctions for fraud, but only where the customer has also had a conditionality sanction applied.

<sup>2</sup> If an ESA claimant is placed in the Work Related Activity Group, they will be expected to take part in Work-Focused Interviews with their personal adviser. They will get support to help them prepare for suitable work.

<sup>3</sup> Figures for 2009/10 are not comparable with future years due to ESA not starting until October 2008 and the benefit caseload not being in steady state during most of 2009/10.

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# 1 Introduction

## 1.1 Sanctions

### 1.1.1 Summary

This summary contains figures on conditionality sanctions applied to ESA customers in the WRAG, from data up to and including **February 2011** (unless otherwise stated). Annexe A provides more detailed breakdowns. The reporting period is determined by the latest WCA data (usually 3 months prior to this publication) and the corresponding ESA WRAG caseload data a further 12 months prior to that (to allow a 12 month period for ESA WRAG in-flows). As a result, each quarterly publication will have a different reporting period as shown below:

<b>Quarter of publication</b>	<b>Reporting period</b>
February	Each year ending November, up to year ending November of previous year
May	Each year ending February, up to year ending February of current year
August	Each year ending May, up to year ending May of current year
November	Each year ending August, up to year ending August of current year

### 1.1.2 Background

Employment and Support Allowance replaced Incapacity Benefit, Severe Disablement Allowance and Income Support that is paid because of an illness or disability for new claimants from 27 October 2008. More information on IB/SDA can be found at the link below:

[http://www.direct.gov.uk/en/MoneyTaxAndBenefits/BenefitsTaxCreditsAndOtherSupport/Illorinjured/DG\\_10018913](http://www.direct.gov.uk/en/MoneyTaxAndBenefits/BenefitsTaxCreditsAndOtherSupport/Illorinjured/DG_10018913)

The Work Capability Assessment is a functional assessment of an individual's work capability and determines entitlement to ESA beyond the initial 13-week "Assessment Phase". It may include a medical assessment if more information is needed about an individual's illness or disability before a decision can be made on their capability for work. An approved healthcare professional, who has been trained in handling Employment and Support

Allowance claims, will assess how the customer's illness or disability affects their capability for work or work-related activity, and provide advice to the Department, who are responsible for administering benefit claims.

Further information on the two phases of ESA can be found at the link below:

[http://www.direct.gov.uk/en/DisabledPeople/FinancialSupport/esa/DG\\_171894](http://www.direct.gov.uk/en/DisabledPeople/FinancialSupport/esa/DG_171894)

Prior to 15<sup>th</sup> March 2010, all new ESA customers were required to attend an initial Jobcentre Plus (JCP) WFI between eight and thirteen weeks after making their claim except in cases where the WFI was deferred. If the customer remained on ESA and was not placed in the Support Group at their WCA, they were then required to attend a further five WFIs at four week intervals<sup>4</sup>.

Two changes to the conditionality and Work Focused Interview (WFI) regime were then made during 2010:

- From 15th March 2010, all new ESA customers still had to attend the initial JCP WFI but only customers placed in the Work Related Activity Group (WRAG) at their initial WCA were then required to attend the subsequent series of WFIs. This meant that customers appealing a fit for work decision were not required to attend further mandatory WFIs during the appeal period<sup>5</sup>.
- Further to this change, from 4th October 2010 only new ESA customers who are placed in the WRAG at their initial WCA are required to attend the initial JCP WFI and the subsequent series of WFIs.

Failure to attend or participate in any one of these six WFIs without good cause may result in a sanction being applied to the customer's benefit (see section 3 for further details).

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<sup>4</sup> Customers were required to attend WFIs before they had completed their WCA, resulting in some customers attending a number of WFIs and subsequently being found Fit for Work or being placed in the Support Group.

<sup>5</sup> Also from this date WFI flexibilities were introduced, meaning that advisors both within Jobcentre Plus pathways and Provider led Pathways had the flexibility to conduct the subsequent five mandatory WFIs over a maximum of twelve months rather than at fixed points in the claim.

### 1.1.3 Methodology

The sanction figures in this publication are derived from the ESA payments system (JSAPS) data, where a conditionality sanction has been applied to a customer's Work-Related Activity Component<sup>6</sup> (WRAC)<sup>7</sup>. Use of the JSAPS data also allows calculation of sanction durations and average amounts of ESA sanctioned.

Weekly ESA scans taken from JSAPS are compared, and reductions in amounts of weekly benefit, which are equal to known sanction amounts for the WRAC, are obtained (see section 3 for further details of types of sanctions).

This sanctions information is then merged with data about all claimants of ESA who are eligible for a conditionality sanction. To ensure that each sanction is matched to the corresponding benefit spell, sanctions are only matched where the sanction date occurs on or after the ESA start date and within 14 days of the ESA end date (if the claim has ended). This allows the proportion of claims which are sanctioned to be calculated.

It is possible that a small proportion of payment drops may be due to an increase in working hours for an ESA Income-Related customer, which have been incorrectly counted as a sanction. Equally, it is possible that a small proportion of sanctions may have been missed due to an increase in a customer's benefit payment for a decrease in their (or their partner's) working hours, occurring at exactly the same time as a sanction. Both of these situations are very unlikely to occur and will therefore have negligible effect on the number of sanctions recorded.

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<sup>6</sup> If an ESA claimant is placed in the Work Related Activity Group, then they will receive a further payment (Work-Related Activity Component) in addition to their basic rate of ESA.

<sup>7</sup> There may be a small proportion (around 1% - 2%) of sanctions included where a person has a sanction applied on JSAPS, for which they are later reimbursed after attending a re-booked WFI.

## 2 Headline Statistics

These figures are for all conditionality sanctions imposed on ESA claimants in the WRAG between 1<sup>st</sup> March 2010 and 28<sup>th</sup> February 2011, who were undertaking Jobcentre Plus and Provider-led Pathways to Work.

### 2.1 ESA sanctions

#### 2.1.1 Volume and rate

There were 12,190 conditionality sanctions imposed on ESA customers in the WRAG between 1<sup>st</sup> March 2010 and 28<sup>th</sup> February 2011. Some ESA WRAG claims were sanctioned more than once, such that 9,160 ESA claims incurred a conditionality sanction between 1<sup>st</sup> March 2010 and 28<sup>th</sup> February 2011.

The number of ESA WRAG claims which were eligible for a conditionality sanction during this period was 252,350<sup>8</sup>. The number of eligible ESA WRAG claims is made up of 80,910 ESA claimants on the ESA caseload and in the WRAG at 28<sup>th</sup> February 2010, and the 171,440 ESA claims where the customer moved into the WRAG between 1<sup>st</sup> March 2010 and 28<sup>th</sup> February 2011. Counting one sanction per eligible ESA WRAG claim between 1<sup>st</sup> March 2010 and 28<sup>th</sup> February 2011, this gives a sanction rate (the proportion of eligible ESA WRAG claims that had a sanction imposed) of 3.6%<sup>9</sup>.

Counting each customer once, the number of individuals in the eligible ESA WRAG client base is 251,200. Counting one sanction per eligible ESA WRAG customer between 1<sup>st</sup> March 2010 and 28<sup>th</sup> February 2011, this gives a sanction rate (the proportion of eligible ESA WRAG customers that had a sanction imposed) of 3.6%<sup>10</sup>.

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<sup>8</sup> Note that a small proportion will not be eligible for sanction. These will typically be firstly individuals who are part of the ESA WRAG caseload who have completed the mandatory requirement of Pathways to Work and secondly customers placed in the WRAG at their WCA but that are appealing a fit for work decision who are not required to attend the mandatory WFIs during the appeal period.

<sup>9</sup> This is calculated by 9,160 divided by 252,350.

<sup>10</sup> This is calculated as 8,950 (the number of eligible ESA WRAG customers that had a sanction imposed) divided by 251,200.

### **2.1.2 Average sanction duration**

Of the 12,190 ESA conditionality sanctions applied between 1st March 2010 and 28<sup>th</sup> February 2011 which have now ended, the average sanction duration was 5 weeks.

### **2.1.3 Average weekly amount of ESA sanction**

Of the 12,190 ESA conditionality sanctions applied between 1<sup>st</sup> March 2010 and 28<sup>th</sup> February 2011, the average weekly amount of ESA sanctioned was £18.12.

### **2.1.4 Type of ESA sanction**

Of the 12,190 conditionality sanctions imposed on ESA customers in the WRAG between 1<sup>st</sup> March 2010 and 28<sup>th</sup> February 2011:

- 7,480 (61%) had a 50% reduction in their Work-Related Activity component applied
- 4,710 (39%) had a 100% reduction in their Work-Related Activity component applied

# 3 ESA sanctioning process

## 3.1 The key aspects of the ESA sanctioning process

Sanctions are a reduction in benefit, applied to benefit claimants who do not abide by certain conditions of their benefit claim. For example, ESA customers are subject to conditionality sanctions if they fail to attend (FTA) or fail to participate (FTP) without good cause, in any one of the six Work-Focussed Interviews (WFIs), which they are required to attend as part of the Pathways to Work programme. Like many other decisions made by the Department, sanction decisions carry appeal rights.

There are three types of sanction that can be applied to an ESA award:

- a) ESA Conditionality Sanctions
- b) One / Two Strike Sanctions (Loss of Benefit Provisions)
- c) Sanctions where the partner has failed to attend a WFI

ESA Conditionality sanctions affect the Work-Related Activity Component (WRAC) only, reducing it by either 50% or 100%. They only affect the customer's benefit during the Main Phase as the Work-Related Activity Component is not payable during the Assessment Phase. A 50% reduction in the Work-Related Activity Component could be applied when the customer fails to attend or to participate in a WFI. This could increase to 100% after 4 weeks if the customer does not comply with WFI conditionality.

In addition to the ESA conditionality sanctions, One / Two Strike sanctions (Loss of Benefit Provisions) can be applied. These reduce the single person's personal allowance by either 20% or 40%. These are designed to be a deterrent against abuses of the benefit system by applying a benefit sanction to those convicted, or who have accepted a caution or an administrative penalty for a benefit fraud offence. The 'Two Strikes' provision makes it possible to impose a benefits sanction by restricting payment of benefit for 13

weeks if a customer has been convicted of a second benefit fraud offence when the offence was committed within five years of a first conviction. A 'One Strike' provision makes it possible to impose a benefits sanction by restricting payment of benefit for four weeks when a customer, their partner or a family member has been convicted, or has accepted a caution or an administrative penalty for a first benefit fraud offence, when the whole period of the fraud was committed on or after 1st April 2010. The Fraud Investigation Service (FIS) will issue a determination notice to all relevant benefit processing teams to confirm that a loss of benefit sanction is appropriate and the period of the sanction, including sanctions against standard Housing Benefit (HB) / Council Tax Benefit (CTB). The role of applying a sanction is the sole responsibility of benefit processors.

The only scenario where a further sanction can be applied over and above the 100% of the WRAC is where the partner fails to participate in a WFI and 20% of the personal allowance component of ESA for a person 25 years of over can be applied.

In terms of how sanctions differ between the two rates of ESA:

- ESA (Contributory) – sanction applies to the customer only.
- ESA (Income Related) – sanction can apply to the customer, partner or family member.

If the customer is unhappy with the reason given by the Department for a benefit sanction being applied, they can appeal for this to be overturned. To do so, the appeal must be in writing by the customer or someone authorised by the customer to act on their behalf. A statement or letter can be accepted if the customer or their representative provides sufficient information to enable the appeal to proceed.

An appeal must be made within one calendar month of the date of issue of the outcome decision.

ESA sanctions are recorded on Labour Market System (LMS) for all 6 WFIs in JobCentre Plus (JCP) Pathways areas and the initial JCP WFI in Provider-Led

Pathways areas. Sanctions for the remaining 5 WFI's in Provider-Led Pathways areas, along with the sanctions already recorded on LMS noted above, are recorded on the Decision Making and Appeals System (DMAS) by the Benefits Delivery Expert Labour Market (BDE LM). A paper form is then sent to the Benefits Delivery Officer (BDO) to update the ESA payment system (JSAPS) manually.

# Annexe A: ESA sanctions Breakdowns

Totals may not sum due to rounding. Figures are rounded to the nearest 10 and percentages to one decimal place.

Table 1 – Number and proportion of conditionality sanctions imposed on ESA customers in the WRAG between 1<sup>st</sup> March 2010 and 28<sup>th</sup> February 2011, by main disabling condition

<b>Main Disabling Condition</b>	<b>Number of sanctions (total)</b>	<b>Proportion of claims sanctioned<sup>11</sup></b>
Mental and Behavioural Disorders	5,920	4.4%
Diseases of the Nervous System	510	3.2%
Diseases of the Circulatory System or Respiratory System	650	2.8%
Diseases of the Musculoskeletal system and Connective Tissue	1,650	3.1%
Injury, Poisoning and certain other consequences of external causes	1,000	3.6%
Other	2,450	3.2%
<b>Total</b>	<b>12,190</b>	<b>3.6%</b>

<sup>11</sup> One sanction per eligible ESA WRAG claim expressed as a proportion of all eligible ESA WRAG claims.