



Department
for Work &
Pensions

Universal Credit Sanctions

Experimental Official Statistics

Background information and methodology

May 2018

Contents

- Purpose of the statistics 3
 - Context of the statistics 3
 - Purpose of the statistics 6
 - Limitations of the statistics..... 7
 - Comparisons between the statistics 8
 - Source of the statistics 9
 - Definitions within the statistics 10
 - Universal Credit Sanction reason charts 10
 - Revisions to the statistics 11
- Status of the statistics..... 12
 - Experimental Official statistics 12
 - Quality Statement..... 12
- Feedback..... 12
- Useful links 13

Purpose of the statistics

The statistics allow people to see how many sanction decisions have been made in relation to Universal Credit and are published in the Department for Work and Pensions' Benefit Sanctions Statistics (BSS) as of November 2017. Previously, they were published within the [Quarterly Statistical Summary](#) (QSS). The underlying data can be accessed through [Stat-Xplore](#).

Context of the statistics

Sanctions statistics comprise four benefits: Jobseeker's Allowance (JSA), Employment and Support Allowance (ESA), Income Support (IS) and Universal Credit (UC). This document focuses purely on Universal Credit. The methodology for the JSA, ESA and IS can be found [here](#).

To claim Universal Credit, a Work Coach will set out with the claimant what is required of them in the Claimant Commitment. If they fail to meet each of their responsibilities that they agreed in their Commitment without good reason, they may be subject to a sanction, where their UC standard allowance is reduced for a set period.

The length of the sanction depends on the level category that the reason for the sanction falls into (See [Table 1](#)), and the number of previous failures within the year. There are four sanction levels in UC:-

- **Lowest Level:** Failure to attend or take part in a Work-Focused Interview. The sanction lasts until the claimant attends or takes part in one, or moves to either the Working - no requirements or No Work Requirements conditionality regimes.
- **Low Level:** The sanction lasts until the claimant does what they previously failed to do and were sanctioned for (e.g. failing to attend a training course) or because either the requirement is no longer appropriate or an alternative compliance condition has been met, plus 7, 14 or 28 days for the first, second or third low level sanction in any 12 month period.
- **Medium Level:** The sanction lasts 28 days for the first sanction in any 12 month period, and 96 days (approximately 3 months) for a second medium level sanction. Medium level sanctions apply, for example, where the claimant has to meet the work availability requirement, but has failed to be available to attend an interview or start work.
- **High Level:** The sanction lasts for 96 days (approximately 3 months) for the first sanction in any 12 month period, 182 days (approximately 6 months) for a second high level sanction and 1095 days (approximately 3 years) for a third. High level sanctions apply, for example, where a claimant refuses the offer of a job.

The length of the sanction will be less than that stated above if the claimant is under the age of 18 at the point of the sanctionable failure.

For Universal Credit, the Decision Making Process follows four stages:-

1. **Referral:** Work Coach in a Jobcentre, or Employment Scheme provider, identifies that the claimant has failed, in some way, to meet the requirements placed upon them. The benefit will remain in payment until the Decision Maker makes an adverse decision. The Work Coach will gather information to support the referral from the claimant and, where applicable, the reasons for their failure, to enable a quality decision to be made. The case is then referred to the Decision Maker. If the referral is from an employment scheme provider, the Decision Maker will gather this information from the claimant.
2. **Original Decision:** The Decision Maker will weigh up all of the information and evidence presented to them, including the claimant's reasons for failing to meet the requirements placed upon them. They will then make a decision. If the decision is to apply a sanction (adverse decision), the claimant is notified of the outcome in writing.
3. **Mandatory Reconsideration (MR):** If a claimant disagrees with a decision made about their benefit, they can ask the department to look at it again. A Mandatory Reconsideration must be undertaken before the claimant can appeal. There are strict time limits for asking for a Mandatory Reconsideration. The claimant must ask for a Mandatory Reconsideration within one month of the date on their decision letter, however, they can apply outside of this period if they show good reason for the delay, or have this period extended by 14 days if they receive a written statement of reasons. If the DWP changes its original decision (non-adverse MR decision), any arrears of benefit due are paid less any hardship payments. Once the MR has been undertaken, the claimant will receive two copies of a Mandatory Reconsideration Notice (MRN). The MRN tells the claimant the outcome of the reconsideration and what to do if they wish to appeal.
4. **Appeal:** If the department does not change the decision at Mandatory Reconsideration, the claimant can appeal directly to an independent tribunal.

A major difference between sanctions policy for UC compared to JSA is that under UC, where a claimant fails to attend a Work Coach meeting they can be sanctioned. Under JSA claimants would receive a sanction, or have their claim terminated if they did not make contact within 5 working days of their failure. This is not appropriate for UC as claimants may be in receipt of other parts of UC, such as housing and child care, which would not be subject to a sanction and so they would remain on benefit.

The amount deducted is calculated daily as a percentage of the standard allowance and is dependent on the claimant's current personal circumstances and conditionality regime. See the table below:

Single claimant in either the Searching for Work, Working – with requirements, Working No Requirements* or Preparing for work Conditionality Regime	100%
Claimant in a couple in either the Searching for Work, Working – with requirements, Working No Requirements or Preparing for work Conditionality Regime	50%
Single claimant in the Planning for Work regime or in No Work requirements regime on the grounds of childcare responsibilities, adoption or pregnancy	40%
Claimant in a couple in the Planning for Work regime or in No Work requirements regime on the grounds of childcare responsibilities, adoption or pregnancy	20%
Claimant in No Work requirements regime with limited capability for work related activities	0%

* Days of the sanctions are served, however claimant has enough earnings to not receive any standard allowance.

When a sanction is imposed on a UC claim and the sanctioned claimant or couple have had their standard allowance reduced at the daily rate equal to 100% – or 50% for a couple – for a high, medium or low level sanction, hardship payments may be available for claimants. These payments are equivalent to about 60% of the UC standard allowance and have to be paid back under UC. For UC claimants, a hardship payment is only available following the first reduced payment and where the claimant complies with all requirements placed on them. They are available to any claimant who can demonstrate that they would suffer financial hardship if the benefit were not paid. Claimants are expected to apply for a hardship payment for every assessment period where a sanction has been applied.

In response to feedback from the users of sanction statistics, and to improve public understanding of them, the [Sanctions Statistics Publication Strategy](#) was published by the DWP on 19th April 2016, where changes were proposed to the publication of sanction statistics. One of these changes was to include Income Support and Universal Credit sanctions statistics in the publication alongside JSA and ESA. This was achieved as of May 2017.

These statistics currently only cover Universal Credit live service and do not include Universal Credit full service, which covers a wider range of claimant types. As of June 2017, around 70 out of over 700 Jobcentre Plus offices were delivering Universal Credit through the full service, whilst live service was operational across all other parts of the country. The full service continues to be rolled out to further

Jobcentres across the country. Despite Universal Credit live service being restricted to certain claimant types, it covers the majority of those people currently on Universal Credit. We anticipate that additional information will be included on UC as quality assurance of data progresses.

Sanctions figures are shown from August 2015 onwards, this being the earliest date from which we can assure the quality of the data and allow for additional functionality on the UC system to be captured.

In August 2017, an experimental monthly rate of UC claimants who receive a deduction as a result of a sanction was published alongside information on the duration of these deductions in the Quarterly Statistical Summary, then in the Benefit Sanction Statistics publication from November 2017. Further information on these measures can be found within the [Background and Methodology document](#).

Due to increasing demand from users, DWP are making improvements to published geography information in their National/Official statistics releases, including data released via Stat-Xplore. The changes have been implemented in the benefit sanctions statistics publication as of February 2018, and involve:

- Replacing all 2001 Census Output Area (COA) based geography information with more up to date geographies based on 2011 COAs;
- Replacing the historic time series geographies so that they are based on 2011 COAs;
- Assigning geographies using an improved methodology, which involves using more reliable data to source address information.

Purpose of the statistics

The purpose of the statistics is to inform and present data on the number of decisions made to apply a sanction to those on Universal Credit and the outcomes of the sanction process.

Within DWP

The information in the publication and underlying datasets are used to:

- evaluate, develop and support policy, strategy and operational decisions, initiatives/options and business plans
- answer Parliamentary Questions and Freedom of Information requests
- inform Departmental Responses to Commons Select Committees
- inform press office statements
- provide briefing lines including for devolved administrations

By:

- policy, strategy, operational support and associated analytical teams
- DWP Private Office and Press Office
- Parliamentary Question, Freedom of Information and Briefing teams

External Users

Outside DWP, the internet based publication mechanism means that understanding all the varied uses of the statistics and data is challenging. However other sanctions statistics have shown a variety of users from:

- Parliament: House of Commons Library, Parliamentary Committees
- Other government: Cabinet Office, HM Treasury, Scottish and Welsh Government, local authorities/groups of local authorities
- Charities and not-for-profit organisations
- Academics
- External commentators: leading news media and blogs
- United Kingdom Statistics Authority
- National Audit Office
- General Public

Limitations of the statistics

Every quarter, when the latest figures are added to the previous sanctions figures, the previous sanctions figures will be updated to take account of any changes, such as decisions being challenged or changed, that have occurred. Only the latest time point of each decision in the process of sanctions: decisions, Mandatory Reconsiderations and Appeals, is kept.

When collecting and presenting the statistics in this way it can cause confusion over the number of original decisions to sanction and therefore the proportion that have been changed. It also means that, as some cases move on to Mandatory Reconsideration and Appeal, there will always be retrospective adjustments to earlier publications.

When it came to deciding how to count decisions, there were two options. The first option was to record only the latest decision on a case, the second to record every single decision. The first option gives information about the sanctions count, whilst the second option gives information on the decision making process. It was decided that the first option, the sanctions count, was the most important information in terms

of public interest and informing sanction policy, with the only drawback that we cannot know when the original decision was taken.

Data on sanction decisions where the Decision Type is an Appeal should be treated with caution. The data is currently under investigation due to a potential issue with the under-recording of Appeal decisions where the Decision Outcome is Adverse.

Data published prior to November 2017 contained an issue whereby a small number of Mandatory Reconsideration decisions were incorrectly recorded with either a Cancelled or Reserved Decision Outcome. This issue was corrected in the November 2017 release and affected 0.3% of Mandatory Reconsideration decisions and 0.2% of all decisions.

Users should note that there is a new methodology for allocating a claimant to a Census Output Area (COA) as of our February 2018 publication.

Residency based geographies are derived from address information as recorded on the Customer Information System (CIS). CIS is a more reliable source of addresses as it links to all of the DWP benefit systems and contains the most up to date address for each individual.

These addresses are then put through a data cleansing procedure which makes sure postcodes are formatted correctly and the address fields are populated correctly. 2011 COAs are then assigned to claimants using the ONSPD (ONS Postcode Directory), starting with a direct postcode to COA lookup and then working through a logical allocation routine. These COAs are then used to merge on higher level geographies from the National Statistics Postcode Look-Up (NSPL).

This file is then matched to the sanction decisions data, ensuring that the date of decision is between the address start and end of dates. If no known address can be matched for a period of time, a previous known address for that claimant is used, as this is more accurate than random allocation. There may still be a very small number of records that are still recorded as unknown.

All higher level geographies (Lower Layer Super Output Area/Data Zone, Middle Layer Super Output Area/Intermediate Zone, Local Authority, Region, Country) are derived from COA.

Comparisons between the statistics

The nature of the process used to update the data (retrospection) means that it will be difficult to compare data between years as the data set is constantly changing as and when mandatory reconsiderations and appeals are resolved. This means that the previously released data will be updated every quarter as new information about each sanction is added to it. The data shows that decisions can change significantly after one quarter. Decisions can still change a year after the initial sanction has been applied, though the number of these changes is minimal.

Users should be aware that there are differences between sanctions policy in UC and the other benefits that will affect comparisons.

Whilst other countries also apply sanctions to their versions of Universal Credit, their systems differ too much to allow any comparisons to be made.

Source of the statistics

The main bulk of the data is taken from the Work Services Platform (WSP), the system on which Work Coaches record doubts and one of the systems Decision Makers use to record decisions made. This is then complemented with data from the Decision Makers and Appeals Case Recorder (DMACR) system, and the Payment Manager Systems (PMX). DMACR is a relatively new system which is used across a number of benefits to record decisions. PMX is the system used to calculate a claimant's entitlement.

The data is collated and put on Stat-Xplore for analysis. The variables include all sanction decisions made, and decisions on individuals. These can then be broken down by:

- month decision made
- age
- gender
- geography
- decision type
- outcome
- sanction level
- referral reason.

Stat-Xplore is available to the public to build tables of specific interest and can be found here: <https://stat-xplore.dwp.gov.uk/>

Rounding

Rounding has been applied to the sanctions statistics figures in the BSS. The headline figures and those accompanying the graphs have been rounded as follows:

From	To	Rounded to
0	1,000	10
1,001	10,000	100
10,001	100,000	1,000
100,001	1,000,000	10,000
1,000,001	10,000,000	100,000
10,000,001	100,000,000	1,000,000

Definitions within the statistics

There are certain terms used in the Benefit Sanctions Statistics that need explanation.

Universal Credit Sanction reason charts

Within the Benefit Sanction Statistics publication there is a chart which breaks down the sanction decisions by reason. For the purposes of this chart, the reasons are grouped together, with the groupings shown below in Table 1 along with the sanction level to which each reason belongs.

Table 1

Reason Group	Sanction Level
Work Focused Interviews	
<ul style="list-style-type: none"> Fail to comply with an interview requirement 	Low
<ul style="list-style-type: none"> Fail to comply with an interview requirement (Self Employed) 	Low
<ul style="list-style-type: none"> Fail to comply with a Work-Focused Interview requirement 	Lowest
Availability for Work	
<ul style="list-style-type: none"> Fail to accept a job 	High
<ul style="list-style-type: none"> Fail to apply for a job 	High
<ul style="list-style-type: none"> Fail to be available to take up work 	Medium
<ul style="list-style-type: none"> Fail to comply with a work preparation requirement 	Low
<ul style="list-style-type: none"> Fail to undertake all reasonable work search action 	Medium
<ul style="list-style-type: none"> Fail to undertake particular, specified Work Search action 	Low
<ul style="list-style-type: none"> Other Availability for Work reason 	Low
Employment Programmes	
<ul style="list-style-type: none"> Fail to participate in an Employment Programme 	Low
<ul style="list-style-type: none"> Fail to participate in training 	Low
<ul style="list-style-type: none"> Fail to undertake Mandatory Work Activity 	High
<ul style="list-style-type: none"> Fail to undertake work experience or work placement 	Low
Reason for Leaving Previous Employment	
<ul style="list-style-type: none"> Leaving employment Voluntarily 	High
<ul style="list-style-type: none"> Loss of employment through Misconduct 	High

Other (Not Included in Summary Charts)	
<ul style="list-style-type: none"> • Fail to comply with requirement to provide evidence or confirm Compliance 	Low/Lowest*
<ul style="list-style-type: none"> • Fail to comply with requirement to report specified change in circumstances relevant to Work requirements 	Low/Lowest*
<ul style="list-style-type: none"> • Lose pay through Misconduct 	High
<ul style="list-style-type: none"> • Lose pay Voluntarily 	High

*The level is Lowest for those in the Planning for work conditionality regime, otherwise the level is Low.

Definitions of decision types

Adverse – Decision to apply a sanction

Non-adverse – Decision to not apply a sanction or lift one already applied

Reserved – Decision to apply a sanction cannot be imposed because the claimant is currently not entitled to/claiming the UC standard allowance.

Cancelled – The referral is cancelled without a sanction being applied

Revisions to the statistics

DWP has a policy for planned revisions describing how we will handle revisions and give confidence that all revisions will be handled in a transparent manner. For these statistics, to reflect any updates to the figures, the full historic statistical series is refreshed each time the figures are released.

We allow some time for additional information to be incorporated into DWP's data systems. This time period is referred to as retrospection. Information may be submitted, corrected or resubmitted sometime after the event occurred. This means that data presented in each release is subject to some retrospection and figures may be revised in subsequent releases, especially the most recent months.

For example, if a decision to apply a sanction is made, the data may then be published before the next steps are commenced. If all the steps are gone through in order, it may be some time before the final stage is reached, sometimes a year after the initial decision to sanction has been made.

The methodology for how residence-based geographies are derived, as outlined in the Limitations of the statistics section, changed in the February 2018 release of the statistics. This means that figures, by residence-based geography (e.g. Local Authority), released from this point will not be directly comparable to those published previously. The impact for UC will be minimal. The exact level of revision will vary

dependent on the time period and type of geography selected. Users are therefore advised to recreate any figures that include a residence-based geography breakdown using the new data

Status of the statistics

Experimental Official statistics

The Universal Credit Sanctions Experimental Official Statistics show numbers of decisions that have been referred to sanction. Breakdowns are available by age, gender, decision outcome, decision type and geography.

Official statistics are produced to be compliant with the code of practice but have not yet been assessed by the UK Statistics Authority and as such are not classified as National Statistics.

For more information please see the link:

<https://www.statisticsauthority.gov.uk/national-statistician/types-of-official-statistics/>

As new Official Statistics undergoing evaluation they have accordingly been badged as Experimental Official Statistics and as such could be subject to revision.

Quality Statement

These statistics have been developed using guidelines set out by the UK Statistics Authority, and are new official statistics undergoing evaluation. They have, therefore, been designated as Experimental Statistics. Users are invited to comment on the development and relevance of these statistics at this stage.

Feedback

We welcome feedback

To give feedback on the Universal Credit Sanctions Official Statistics email stats-consultation@dpw.gsi.gov.uk or write to:

[Tracy Hills](#) Development Team Client Statistics, Digital, Data and Analytics, Room BP5201, Benton Park View, Longbenton, Newcastle Upon Tyne, NE98 1YX.

Phone 0191 216 8223

Useful links

The most recent and previous Quarterly Statistical Summary:

<https://www.gov.uk/government/collections/dwp-statistical-summaries>

JSA and ESA, UC & IS sanction statistics, including the links to the most recent statistics in Excel tables, and the link to this document:

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

Stat-Xplore can be used to tabulate any of the information available on sanctions:

<https://stat-xplore.dwp.gov.uk/>

Publication strategy for sanctions:

<https://www.gov.uk/government/publications/benefit-sanction-statistics-publication-strategy/benefit-sanction-statistics-publication-strategy>

All statistics available from DWP:

<https://www.gov.uk/government/organisations/department-for-work-pensions/about/statistics>

Schedule for upcoming statistical releases from DWP:

<https://www.gov.uk/government/statistics/announcements?utf8=%E2%9C%93&organisations%5B%5D=department-for-work-pensions>